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M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

January 12, 1988

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JAN 22 1988

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COMMISSIONERS

Jeffrey Lee, President

Charna E. Staten, Vice President

H. Welton Flynn

Arthur V. Toupin

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Donald J. Birrer

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:15 P.M.

Present: President Jeffrey Lee, Vice President Charna E. Staten,
Commissioner H. Welton Flynn, Commissioner Arthur V.
Toupin, Commissioner Mark W. Buell

On motion of Staten, seconded by Buell, the Minutes of the special meetings of December 17, 21, and 28, 1987 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Flynn, the following resolution was adopted in Executive Session:

88-0002 GM Appointing Dean Coffey to serve as Acting General Manager of Public Utilities, effective upon adoption of this resolution.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0001 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$122,500.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0003 MR Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts, totaling \$140,460.88, for settlement of claims against the Municipal Railway, in the month of November, 1987.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0004 MR Approving compromise settlements in the amount of \$954.93 and collections in the amount of \$10,907.02, for payment of damage claims which the Municipal Railway has against miscellaneous debtors, for the month of December, 1987.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell



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On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0005 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. 876, Treat Avenue Facility - Site Preparation.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0006 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. 791, Moccasin-Newark Transmission Line - Paint Towers.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0007 HH Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-790, installation of four horizontal drains for the Early Intake Access Road, Tuolumne County, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$7,695.00; and authorizing final payment in the amount of \$575.25 to Jensen Drilling Company, Contractor.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0008 WD Authorizing the Deputy General Manager and Chief Engineer to execute Amendment No. 1 to the existing EIP Associates professional services agreement to perform an environmental review of the Pulgas Temple sites for the Crystal Springs Water Treatment Plant, for an amount not to exceed \$14,300.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0009 E Authorizing the Acting Deputy General Manager to execute an amendment to the agreement with Foster Engineering, for performing design and field engineering services on an "As Needed" basis, extending the completion date of the agreement from December 31, 1987 to May 31, 1988.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

88-0010 F Approving and requesting Controller's concurrence in substituting a new Rule 7 of the Rules and Regulations, Public Utilities Commission Revolving Fund, revising signature authorizations; and requesting reimbursement for miscellaneous items.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0011 GM Authorizing the General Manager of Public Utilities to negotiate and execute a Professional Services Contract with Planning Collaborative for the writing of a "Specific Plan" for San Francisco Water Department lands in Pleasanton.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

At 3:42 P.M. Commissioner Flynn was excused from the meeting.

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0012 GM Approving the MUNI Metro Extension financing contract with the BART District; authorizing the General Manager of Public Utilities to execute the contract; and requesting the Mayor to recommend to the Board of Supervisors for their consideration and action.

VOTE: Ayes - Lee, Staten, Toupin, Buell

At 3:52 P.M. Commissioner Flynn returned.

At 4:12 P.M. Commissioner Toupin was excused from the meeting.

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0013 MR Authorizing the General Manager of Public Utilities to negotiate and execute a Professional Services Contract with Foster Engineering, Inc., in an amount not to exceed \$53,000.00, to provide professional engineering services for the Muni Metro Centralized Traffic Control project, for a period of 60 calendar days.

VOTE: Ayes - Lee, Staten, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0014 MR Authorizing the San Francisco Municipal Railway to enter into a contract with Transit Maintenance Consulting (TMC) in an amount not to exceed \$116,850 to provide engineering services to develop procurement specifications for articulated and diesel coaches.

VOTE: Ayes - Lee, Staten, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0015 MR Authorizing the General Manager of Municipal Railway, with the Mayor's approval, to send Municipal Railway's motorized cable car No. 062 along with two operators to Hong Kong for the purpose of assisting in the celebration of "San Francisco Week in Hong Kong" during the week of February 7 - 14.

VOTE: Ayes - Lee, Staten, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0016 FM Authorizing the General Manager of Public Utilities to execute contracts with Ferguson and Company and Doyle, Williams and Company, total not to exceed \$250,000, to provide as-needed auditing and consulting services, for a term to expire on January 31, 1990.

VOTE: Ayes - Lee, Staten, Flynn, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

88-0017 EC Authorizing the Bureau of Energy Conservation to negotiate and execute a Professional Services Contract with John Nimmons and Associates, to provide consulting services - district heating and cooling for the Mission Bay redevelopment project.

VOTE: Ayes - Lee, Staten, Flynn, Buell

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement of Appointment

President Lee announced that the Commission met in executive session immediately prior to this meeting and appointed Mr. Dean W. Coffey to serve as Acting General Manager of Public Utilities. President Lee welcomed Mr. Coffey to his new position.

Resignation of General Manager

President Lee said that the resignation of Mr. Donald Birrer from the General Manager's position will be a tremendous loss to this City. President Lee reflected on the years he had worked with Mr. Birrer in the Department of Public Works and Mr. Birrer's many professional accomplishments. He said that Mr. Birrer was one of the most capable managers in City service.

Members of the Commission commented on Mr. Birrer's loss to the department and to the City.

Commissoner Toupin praised Mr. Birrer for his ability to take a broad view of the effect of activities on the City as a whole and to plan for the future. He said that his foresight would be missed.

Commissioner Staten agreed that Mr. Birrer's foresight was remarkable and very necessary to a department like Public Utilities.

Commissioner Buell described Mr. Birrer as one of the brightest public servants with whom he had had the pleasure of working.

Commissioner Flynn agreed that Mr. Birrer did and still does possess all of the qualities mentioned.

Item No. 17 -- To consider denying the appeal of the Transit Impact Development Fee for 328-332 Ritch Street and approving the adoption of a net increase of 4,799.0 sq ft for office use with a fee of \$23,995 as the Final Determination for the project.

Mr. Larry Mathews, representing 328-332 Ritch Street, said that when the building was used as a bathhouse there were approximately 300 people a day, 7 days a week using the building, versus 27 people who will occupy office space. Mr. Mathews asked that staff compare his building to the one at 139 Townsend Street which has a much lower assessment.

Mr. Marvin Daly, a former patron of the bathhouse, said that he had visited the bathhouse on numerous occasions, at least 100 times. At lunch time there would be about 100 people there. On weekends or "buddy night" there were people waiting in line to get in. There may have been 100 people on each of the three floors.

Mr. Mathews stated that the ground floor will be rented as retail space rather than office space. Therefore, there should be a reduction in the fee.

In reply to questions by the Commission, Ms. Julie Ten Eyck, Deputy City Attorney, stated that the Commission's function is to affirm that staff has applied the formulas correctly in accordance with the ordinance. The Commission also established credits for prior use. The ordinance does not contemplate that each case would be handled individually.

Commissioner Buell requested that this item be continued for consideration of a new prior use category.

Item No. 12 -- Informational presentation on the PUC staff review of the Peninsula Corridor Joint Power Board's Hill International study.

Mr. Douglas Wright, Director of Planning and Development, described the project as a 1.89 mile subway extension of Caltrain rail service to downtown San Francisco. The study assumed a daily train schedule of 136 weekday trains with service every 3-5 minutes. Ridership was projected to increase 600%. The capital cost of the project would be \$657 million.

Ms. Doris Kahn, Chair of the Metropolitan Transportation Commission, stated that MTC would calendar the matter in the near future and would try to reach a regional consensus on new rail starts.

Mr. Wright suggested that perhaps future studies should separate the right-of-way from its historic use and consider new kinds of service related to the kinds of travel demand on the peninsula.

Commissioner Staten said that efforts should be focused on the issue of mobility rather than being locked into this one way of getting commuters to downtown. It is an extremely expensive solution. There are other possibilities such as extending Muni Metro to the Caltrain station or letting the private sector run shuttles.

Ms. Kahn said that there needs to be a systemwide Environmental Impact Statement prepared.

Mr. Norman Rolfe, of San Francisco Tomorrow, said that if people don't take the train they will drive. More cars coming into the City would require an additional freeway lane in each direction for approximately 20-40 miles and additional garage space for vehicle parking. He urged consideration of the Caltrain extension to downtown San Francisco.

THEREUPON THE MEETING WAS ADJOURNED: 4:36 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

REGULAR MEETING

FEB 5 1988

Room 282, City Hall

SAN FRANCISCO
PUBLIC LIBRARY

2:00 P.M.

January 26, 1988

COMMISSIONERS

Jeffrey Lee, President

Charna E. Staten, Vice President

H. Welton Flynn

Arthur V. Toupin

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:19 P.M.

Present: President Jeffrey Lee, Commissioner H. Welton Flynn,
Commissioner Mark W. Buell

Excused: Vice President Charna E. Staten, Commissioner Arthur V.
Toupin

On motion of Flynn, seconded by Buell, the Minutes of the regular
meeting of January 12, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION
NO.

On motion of Flynn, seconded by Buell, the following
resolution was adopted:

88-0018 MR Approving Revolving Fund payments made by the
Manager, Bureau of Claims and Contracts, totaling
\$266,970.51, for settlement of claims against the
Municipal Railway, in the month of December, 1987.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following
resolution was adopted:

88-0019 WD Approving collections for the months of October,
November and December, 1987, of charges for damages
which the San Francisco Water Department has against
miscellaneous debtors in the amount of \$22,598.31.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following
resolution was adopted:

88-0020 LHP Approving collections for the months of October,
November and December, 1987, of charges for damages
which the Bureau of Light, Heat and Power has
against miscellaneous debtors in the amount of
\$7,277.66, and write-off debts in the amount of
\$4,800.69.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

- 88-0021 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. HH-794, San Joaquin Pipeline - Raise Valve Boxes and Repair Exterior Coating.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

- 88-0022 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2004, Electrical Upgrade - 425 Mason Street Building.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

- 88-0023 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. 1998, 8-Inch Ductile Iron Main Installation in Point Lobos Avenue, Great Highway and Balboa Street, from Cliff House to 46th Avenue.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

- 88-0024 WD Accepting the work performed under Water Department Contract No. 1956, 16-Inch Ductile Iron Main Installation in Judah Street between 19th and 29th Avenues, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$4,975.00; authorizing an extension of time for unavoidable delays of 53 working days; and authorizing final payment in the amount of \$6,320.95 to Berrios Construction Company, Inc., Contractor.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

- 88-0025 HH Approving Contract Modification No. 1 to Hetch Hetchy Contract No. HH-783, Holm Powerhouse - Replace Roof, granting a time extension of 230

calendar days for new completion date of June 30, 1988, with no increase in the contract amount; and addition of \$4,000 to Bid Item No. 2, Allowance for Extra Work, to provide for additional repairs to the roof which may be required during the interim winter season.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0026 MR Approving Debit Modification in the amount of \$18,479 to provide funds for additional work as set forth in Contract Modification No. 1 to Municipal Railway Contract No. MR-973, Presidio Facility: Furnish and Install New Electric Services Switchboard; and authorizing an extension of time of 90 calendar days to complete the work.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0027 MR Approving a Debit Modification in the amount of \$22,019 to provide funds for work to be performed as set forth in Contract Modification No. 1 to Municipal Railway Contract No. MR-977, Presidio Division: Modifications to HVAC System, Transportation Training Center; and authorizing an extension of time of 150 calendar days to complete the work.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Flynn, seconded by Buell, the following resolution was adopted:

88-0028 MR Adopting a western terminal for the proposed F-MARKET AND WHARF streetcar service.

VOTE: Ayes - Lee, Flynn, Buell

On motion of Buell, seconded by Flynn, the following resolution was adopted:

88-0029 CC Approving the terms and conditions and authorizing the execution of a 7.3 acres lease of Water Department land in Alameda County, to Santa Clara Sand and Gravel Company, for the purpose of stockpiling sand and gravel products, for a term of 10 years, commencing February 1, 1988 and terminating January 31, 1998, at an initial annual rental of \$5,475.00, to be adjusted annually.

VOTE: Ayes - Lee, Flynn, Buell

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Introduction of New Business

Commissioner Flynn requested the following data prior to the budget hearing. If the requested budget amount for the Municipal Railway is not approved, what would the department do? If service reductions are contemplated, which lines would be cut? What other ingredients, such as reduction in personnel, would be used to balance the budget? Regarding the Water Department, he asked what impact the proposed transfer of \$5 million to the general fund would have on the department's budget. If a rate increase is anticipated for San Francisco customers, he asked what would the increase be for the average householder.

President Lee inquired about the proposed ballot measure which would transfer responsibility for issuing taxi permits to the Public Utilities Commission. He asked whether this is the proper agency to handle this matter. Mr. Dean W. Coffey, Acting General Manager of Public Utilities replied that he would report on this matter at the next meeting.

Report of the General Manager

Mr. William G. Stead, General Manager, Municipal Railway, announced that the Municipal Railway was planning to celebrate the extension of the 33-ASHBURY line from its current terminus at Haight and Stanyan Street to Children's Hospital on California Street. The celebration is tentatively scheduled for either Friday, February 5 or Saturday, February 6, 1988. The Commission will be advised of the exact date, time and place.

Resolution No. 88-0028 -- Adopting a western terminal for the proposed F-MARKET AND WHARF streetcar service.

Mr. Peter Straus, Director of Service Planning, Municipal Railway, stated that it has been the policy of the Board of Supervisors and the Commission to construct the F-MARKET AND WHARF streetcar line which would eventually replace the 8-MARKET trolley line. The Municipal Railway identified eight alternative alignments for the terminal. These alternatives were reviewed by City staff of various departments and the community. The City departments endorsed Alternative 4, from Market, Noe, 17th Street and Market, forming a loop. At the public meeting in the community the majority supported either Alternative 4 or 8, which would loop via Market, Diamond, 19th Street, Castro and Market Streets. The other options were rejected by the community. Staff distributed letters to all addresses along both of the proposed routes. Between 80 to 100 responses were received. All except seven, opposed Alternative 8 due to the impact of running streetcars on residential streets and in front of schools.

President Lee opened the meeting for public comments.

The following persons spoke in opposition to Alternative 8:

Mr. Dan Humphrey, Director of Live Oaks School;
Mr. James Paponis, a resident of Diamond Street;
Mr. Ken Patterson, a resident along Alternative 8;
Mr. James Compton, a resident of Diamond Street.

The following persons spoke in support of Alternative 4:

Mr. Peter Erlich, a Municipal Railway operator;
Ms. Marjorie Martin, a resident of Diamond Street.

In response to questions, Mr. Straus said that the landscaped center island would not be disrupted. Streetcars would operate in the traffic lane adjacent to the center island and would load from boarding islands at the corners.

On motion of Commissioner Flynn, seconded by Commissioner Buell, Alternative 4 was adopted.

THEREUPON THE MEETING WAS ADJOURNED: 2:56 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

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SPECIAL MEETING

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FEB 25 1988

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2:00 P.M.

February 2, 1988

COMMISSIONERS

Jeffrey Lee, President

Charna E. Staten, Vice President

H. Welton Flynn

Arthur V. Toupin

Mark W. Buell

DEPARTMENTS

BUREAUS

Hetch Hetchy Project

Claims and Contracts

Municipal Railway

Energy Conservation

Water Department

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:05 P.M.

Present: President Jeffrey Lee, Vice President Charna E. Staten,
Commissioner H. Welton Flynn, Commissioner Arthur V.
Toupin, Commissioner Mark W. Buell

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Flynn, the
following resolution was adopted:

88-0030 GM Approving budget proposals for fiscal year 1988-89.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Buell, seconded by Staten, the
following resolution was adopted:

88-0031 GM Approving the Water Department Capital Improvement
Program, 1988-89 through 1993-94.

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

On motion of Buell, seconded by Staten, the
following resolution was adopted:

88-0032 GM Approving the Hetch Hetchy Water and Power Capital
Improvement Program, 1988-89 through 1993-94

VOTE: Ayes - Lee, Staten, Flynn, Toupin, Buell

Copies of the above resolutions are on file in the
office of the Secretary of the Public Utilities
Commission.

Public Hearing

Resolution Nos. 88-0030, 88-0031 and 88-0032 -- To consider budget
proposals for fiscal year 1988-89 for all departments and bureaus
under the jurisdiction of the Public Utilities Commission; and to
consider Capital Improvement Programs for the Water Department and
Hetch Hetchy Water and Power for 1988-89 through 1993-94.

Mr. Dean W. Coffey, Acting General Manager of Public Utilities, said that the proposed budgets were developed by each department and reviewed by the Public Utilities Commission's General Manager and staff. Incremental increases were included based upon consideration of State mandated programs, safety requirements, water quality and revenue production.

Commissioner Flynn thanked the Water Department and the Municipal Railway for providing material requested at the last meeting in such an expeditious manner.

Municipal Railway

Mr. William G. Stead, General Manager, Municipal Railway, presented the budget as a continuation of this year's budget plus \$1.8 million for funding of a hazardous waste materials program, an increase in engine rebuilding, and infrastructure maintenance improvements. The proposed increase would be partially offset by elimination of the Trolley Festival due to reconstruction of Market Street and full-year implementation of service reductions previously approved by the Commission and the Board of Supervisors.

Commissioner Flynn made reference to the request for two Transit Information Clerks, to be funded by reallocation of platform salaries, and requested that another source of funding be found for those positions. Mr. Stead agreed to find other funding and said that one of the objectives of this budget is not to reduce platform hours.

Commissioner Staten expressed concern about acting on a budget without establishing priorities as to how the \$1.8 million deficit should be handled. She suggested looking at the entire department for savings, including staffing and maintenance, as well as service reductions and a fare increase.

Commissioner Toupin said that there would be a deficit of \$86 million citywide which must be taken into consideration. He asked whether there were new efficiencies which could be employed to reduce costs? Also, are there activities which are performed which could be eliminated or reduced? Are we overstaffed? Do our procedures require unnecessary duplication of work? Do they produce nonessential paper work which could be changed? He suggested this type of approach. Mr. Stead replied that there is a need to look into these areas in much more depth. After there is a clear sense of the budget limitation on the expense side, he said that staff would proceed along those lines. He added, there is a risk of identifying areas to be sacrificed, giving them up, and then finding out it was not needed.

President Lee asked which would be more desirable, a fare increase or service reductions.

Mr. Stead replied that if the amount of the deficit remained constant, there would be a good opportunity of balancing the budget without a reduction in platform salaries and without a fare increase.

Commissioner Flynn inquired as to the reason for the \$500,000 decrease in Workers' Compensation. Mr. Stead said that the Municipal Railway created a Transit Manager I position to handle workers' compensation and industrial accidents. This position replaced one which was cut from the budget in previous years. Mr. Stead said that now the Transit Manager I acts as a specialist and provides backup and support for the Division Managers who do the investigations. Hours lost will be monitored under the MBO program.

President Lee asked what the impact would be if the department had to reduce its budget by \$5-6 million. Mr. Stead said that a possible scenario would be: to raise the fare to 80 cents and the Fast Pass to \$26.00 to produce \$2.5 million; to cut service by \$2 million; to save \$1 million through management efficiencies; and to use \$1 million from the Transit Impact Development Fee.

Commissioner Staten expressed concern about continued deferred maintenance. She requested a periodic report to the Commission regarding the progress made in this area. Mr. Stead said that he would report in November or December 1988.

President Lee opened the meeting for public comments.

Mr. Bobbie Brown, President, Transport Workers Union, Local 250A, spoke in opposition to using platform salaries to fund information clerks.

Commissioner Toupin moved approval of the Municipal Railway budget as presented assuming that general fund support would remain constant and any changes would come back to the Commission. Commissioner Flynn seconded. The motion was unanimously approved.

Water Department

Mr. Arthur Jensen, Deputy General Manager, Water Department, described ten new programs totaling \$616,000.

President Lee inquired about the source of the \$5 million surplus which the Board of Supervisors had proposed to transfer to the general fund.

Mr. Anson Moran, Assistant General Manager, Finance, replied that a surplus accrued during the years prior to the City reaching a settlement of long-standing litigation with suburban customers. Also, hiring freezes prevented spending budgeted funds. President Lee expressed concern about the possibility of adding to the surplus by not committing all of the funds budgeted for capital improvements and maintenance. Mr. Jensen said that the department would monitor the capital budget.

Commissioner Toupin inquired about the reduction in bond costs. Ms. Christine Morioka, Rate Administrator, Water Department, replied that those costs were associated with the 1972 bond issue. However, bonds sold in 1985/1987 will impact the operating budget in fiscal year 1991-92.

Commissioner Buell said that with depletion of the surplus and costs automatically going up in a few years due to new facilities funded by bonds going on line, rate increases will have to be considered.

President Lee asked for public comments. There were none. On motion of Commissioner Buell, seconded by Commissioner Staten, the Water Department operating and capital budgets were unanimously approved.

Hetch Hetchy

Mr. Moran presented the budget for Hetch Hetchy Water and Power. He said that staff wanted to increase the amount for a pre-feasibility study of municipalization of the power distribution system in San Francisco from \$25,000 to \$75,000. Commissioner Buell said that he did not think \$75,000 was enough money to do an adequate study.

He said that it was his understanding when the power contracts were before the Commission that the Commission would aggressively pursue an objective analysis of municipalization. He recommended increasing the amount to \$150,000 as a first phase of a more complexed study. Following discussion the other members of the Commission concurred and the amount was increased to \$150,000.

Mr. Moran said that it was staff's intention to reduce the amount carried forward to \$4 million after projection of the year-end balance. The excess amount could be transferred to the general fund.

Commissioner Toupin expressed concern about the possibility of two consecutive dry years. If that were to happen, capital funds would be used to balance the budget. Mr. Moran said that the analysis for dry years assumed that the capital program would be touched less than one year in ten. He suggested an annual review of the need for a dry year reserve and possible funding source.

Commissioner Toupin moved, Commissioner Buell seconded to annually review the need for a dry year reserve. The motion was unanimously adopted.

President Lee asked for public comments. There were none.

Commissioner Buell moved, Commissioner Staten seconded to approve the Hetch Hetchy operating and capital budgets with inclusion of the previous motion. The budgets were unanimously approved.

Bureau of Light Heat and Power

Commissioner Staten moved, Commissioner Toupin seconded to approve the budget for the Bureau of Light, Heat and Power. There were no public comments. The budget was unanimously approved.

PUC Bureaus

Commissioner Flynn moved, Commissioner Buell seconded to approve the budget for the PUC Bureaus. There were no public comments. The budget was unanimously approved.

THEREUPON THE MEETING WAS ADJOURNED: 4:37 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

REGULAR MEETING

FEB 26 1988

Room 282, City Hall

SAN FRANCISCO
PUBLIC LIBRARY

2:00 P.M.

February 9, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

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Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:12 P.M.

Present: President Jeffrey Lee, Vice President Charna E. Staten,
Commissioner H. Welton Flynn, Commissioner Arthur V.
Toupin

Excused: Commissioner Mark W. Buell

On motion of Flynn, seconded by Staten, the Minutes of the regular meeting of January 26, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

SPECIAL ORDER OF BUSINESS

Election of Officers for the Year 1988

Commissioner Toupin nominated Commissioner H. Welton Flynn for President. Commissioner Staten seconded.

Commissioner Flynn was unanimously elected President.

Commissioner Lee thanked his fellow Commissioners and the staff for their support and cooperation during his term as President.

President Flynn accepted the gavel and presided for the remainder of the meeting.

Commissioner Lee nominated Commissioner Arthur V. Toupin for Vice President. Commissioner Staten seconded.

Commissioner Toupin was unanimously elected Vice President.

RESOLUTION
NO.

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0033 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$148,000.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0034 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. 1991, 8-Inch and 12-Inch Ductile Iron Main Installation in Clay Street between Kearny and Drumn Streets.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0035 WD Authorizing Bid Call for Water Department Contract No. WD-2005, Suburban Division Road Paving.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0036 WD Accepting the work performed under Water Department Contract No. 1967, 8-Inch Ductile Iron Main Installation in Steiner Street Between Sutter and Jackson Streets, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$14,309.00; authorizing an extension of time for unavoidable delays of 7 working days; and authorizing final payment in the amount of \$30,599.25 to P & J Utility Co., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0037 MR Awarding Municipal Railway Contract No. MR-872, Handicapped Loading Platforms, Ocean and Geneva Avenues, and Duboce Avenue At Sunset Tunnel East Portal, in the amount of \$149,350.00, to Golden Bay Construction, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0038 MR Awarding Municipal Railway Contract No. MR-943-R, Woods Division: Maintenance and Car Building Shop Heating, Ventilation and Air Conditioning Modification, for the work as specified under the base bid and Alternate 1B, in the amount of \$514,000.00, to Angotti & Reilly/T.E. Joo - Joint Venture.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0039 Awarding Water Department Contract No. 1992R, 8-Inch Ductile Iron Main Installation, in Gilman Avenue, From Fitch Street to 235 feet East of Earl Street; and in Bancroft Avenue, Third Street to Mendell Street, in the net amount of \$79,882.00, to Clarke Construction Co., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

- 88-0040 WD Approving Contract Modification No. 1 to Water Department Contract No. WD-1926, Installation of Probe Meters and Controllers, for an extension of 45 calendar days, with no increase in the contract amount.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

- 88-0041 WD Approving the transfer of San Francisco Water Department Consumers' Closed Accounts With Credit Balances unclaimed for three years, in the amount of \$30,308.84, per San Francisco Water Department list of February 15, 1988, to the Water Department Unappropriated Surplus.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Lee, seconded by Staten, the following resolution was adopted:

- 88-0042 GM Authorizing the General Manager of Public Utilities to extend the professional services contract for the Mission Bay Planning Manager, for a period not to exceed one year.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Toupin, seconded by Staten, the following resolution was adopted:

- 88-0043 MR Approving Contract Modification No. 1 to the Agreement with Booz-Allen & Hamilton, Inc., for development of a Maintenance Management system for the Cable Car Cable Machinery System, for a 12-month extension of time, at no cost.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0044 MR Authorizing the Assistant General Manager of Finance, to apply for, accept and expend \$23,500 of UMTA, Section 6, Technical Assistance Grants and Cooperative Agreements, for the purpose of conducting a case study of the Joint Labor-Management Board; and authorizing the General Manager of Public Utilities to set forth and execute affirmative minority business policies in connection with the project's procurement needs.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Toupin, seconded by Staten, the following resolution was adopted:

88-0045 MR Authorizing the transfer of \$100,000 from Equipment Maintenance's Object 109 (Other Contractual Services) to Object 389 (Miscellaneous Services of Other Departments) to fund the services of the San Francisco Conservation Corps through December 31, 1988, for the cleaning of graffiti from Muni vehicles and facilities.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0046 HH Authorizing the General Manager of Public Utilities to enter into a recreation agreement with the Turlock Irrigation District and the Modesto Irrigation District for the operation of recreational opportunities on the New Don Pedro Reservoir.

VOTE: Ayes - Flynn, Toupin, Lee, Staten

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Introduction of Old Business

Commissioner Staten requested consideration of a policy statement regarding the proposed Caltrain extension at the next Commission meeting. She suggested that it address the impact of the proposal on Municipal Railway projects which are currently underway and future projects. The policy should also consider whether the Caltrain extension is the appropriate place to spend the money from a regional point of view.

Report of the General Manager

Mr. Dean Coffey, Acting General Manager of Public Utilities, reported that there had been an increasing problem of vandalism on Municipal Railway buses in the last few months. Mr. Paul Toliver, Deputy General Manager, Transportation, displayed a map of the city which identified the sites where these incidents had occurred. He reported that on Sunday, February 7, 1988 at 6:32 P.M. at Oakdale and Hawes Streets numerous juveniles broke nineteen windows, including the windshield, by throwing rocks. None of the passengers were injured. The police responded. Service in that area was discontinued for the rest of the evening. Mr. Toliver reported that 95 incidents had occurred since the beginning of the year. Of those, eleven were assaults on operators.

Mr. William Stead, General Manager, Municipal Railway, reported that the department had been working with the Mayor's Office and the Police Department regarding this problem.

Commissioner Flynn pointed out that this is a police problem. The department identified the problem areas. Now pressure needs to be put on the Police Department for more assistance.

Old Business

Commissioner Staten referred to the quarterly report on leases and revocable permits and inquired about delinquent accounts which were referred to the City Attorney's Office. She noted that one account had been delinquent since November 1980, and requested a report at the next meeting.

Item No. 8 -- Election of President for the year 1988.

Commissioner Toupin nominated Commissioner Flynn for president. Commissioner Staten seconded. Commissioner Staten said that in accordance with the Commission's protocol, she had looked forward to serving as president this year, after having been vice president last year. However, she said that she will be travelling a great deal due to her business and will not be able to make special meetings for the budget and other matters which the president usually attends. She said that the Commission needs continuity at this time.

Commissioner Lee thanked the members of the Commission and staff for their support and cooperation during the past year. He turned the gavel over to President Flynn who presided for the remainder of the meeting.

Item No. 9 -- Election of Vice President for the year 1988.

Commissioner Lee nominated Commissioner Toupin for vice-president. Commissioner Staten seconded. Commissioner Toupin was unanimously elected to the office of vice president.

Item No. 16 -- Regarding adjustment of the payment for quarry product for premises leased to Mission Valley Rock Company. (A transcript of this item is on file with the minutes of the meeting.)

Ms. Deborah Rohrer, Manager, Bureau of Claims and Contracts, said that staff conducted a survey and analyzed many options to determine the rental adjustment. She recommended a flat royalty of 56 cents per ton for the next five years.

Mr. Stephen Bley, said that he was before the Commission as a taxpayer. He pointed out that he also represented a taxpayer regarding a lawsuit regarding an underlying lease which is not at issue today. He requested that the Commission evaluate the staff recommendation. He cited another property which was competitively bid where the price was \$1.05. He noted that staff reported that it was due to unusual business situations. Mr. Bley suggested that the City attempt to find a comparable property controlled by the City that can be put up for public bid. If that is not possible, he recommended an independent advisor to the City to advise as to value.

Mr. Richard Tanaka, Manager, Agriculture and Land Division, said that in 1978, Mission Valley Rock submitted a bid for 50 cents a ton with the stipulation that they be allowed to quarry five years

hence. The price reflected the value in 1983. Staff used the construction cost index in San Francisco to adjust from 1983 to 1987. In addition, Mission Valley had paid \$35,000 up front money to cover the rental loss for that five-year period. Previously the land was leased for agricultural purposes.

Ms. Rohrer said that staff looked at this in several different ways--the percentage of the selling price of the product, the construction costs index, and the comparison with other royalties being paid in the area. By all those measures 56 cents a ton is a fair and reasonable royalty. Regarding the price of \$1.05, Ms. Rohrer said that according to her information the \$1.05 had never been paid, no minerals had been extracted and that the lease contained an escape clause for the quarry operator based upon their own determination that the materials be satisfactory. She concluded that the lease was established to keep another competitor out of the market.

President Flynn said that in view of the questions raised and the fact that the adjustment will be retroactive, this matter should be put over for further information.

Commissioner Lee asked Mr. Bley to submit his questions in writing. Mr. Bley agreed and requested that there be an exchange of documents prior to the meeting.

President Flynn continued the item to March 8, 1988.

THEREUPON THE MEETING WAS ADJOURNED: 3:44 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

MAR 4 1988

SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

Room 1194, State Office Building
350 McAllister Street
San Francisco, California

5:30 P.M.

February 17, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 5:30 P.M.

Present: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Mark W. Buell

The Honorable Art Agnos, Mayor of the City and County of San Francisco, arrived at 6:00 P.M. and joined the Commission as an ex officio member.

Excused: President H. Welton Flynn, Commissioner Charna E. Staten

President Arthur V. Toupin presided.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

Public Hearing -- To receive further public comments and answer questions regarding contracts with Pacific Gas & Electric Company, Modesto Irrigation District and Turlock Irrigation District. (A transcript of the meeting and tables referenced during the presentation are on file.)

President Toupin opened the meeting and announced that this hearing was called in response to a request from Mayor Agnos to provide additional information to the public, and to provide an additional opportunity for the public to comment on the proposed power agreements between Hetch Hetchy and the Modesto and Turlock Irrigation Districts and Pacific Gas and Electric Company. He said that no action would be taken by the Commission at this meeting. The Districts' contracts were pending before the Board of Supervisors.

Mr. Bruce Brugmann, Editor and Publisher, San Francisco Bay Guardian, rose to a point of order. He requested that the Commission vote to waive the attorney-client privilege so that the City Attorney's Office could release all documents involving these contracts.

President Toupin ruled that that question was not before the Commission today and asked the staff to proceed.

Mr. Anson Moran, Assistant General Manager, Finance, presented a history of Hetch Hetchy from the passage of the Raker Act in 1913. Mr. Leonard Snaider, Deputy City Attorney, discussed the background of the negotiations and summarized the major elements of each contract.

At 6:00 P.M. The Honorable Art Agnos, Mayor, arrived and joined the Commission as an ex-officio member. Mr. John L. Geesman, Vice President of Rauscher Pierce Refsnes, Inc., accompanied the Mayor as a consultant.

Mr. Moran used a table to present a financial analysis of power revenues under different weather years.

Mr. Thomas Berliner, Deputy City Attorney, stated that the contract with Pacific Gas and Electric Company specifically allows for municipalization.

Mayor Agnos questioned language in the PG&E contract that said that if the City were to municipalize, the parties would renegotiate the terms and conditions of the agreement so as to restore the original benefits and burdens contemplated by the parties as of the date the agreement is executed.

Mr. Berliner replied that the provision was included at the request of the Public Utilities Commission in order to keep open an option and sustain a relationship with PG&E because the City may wish to purchase services from them in the future, such as firming services.

Mayor Agnos asked whether these contracts push away the option of municipalization. Mr. Berliner answered that he did not believe that they did since the districts would be customers of the City. Mr. Moran added that if the City were to municipalize, it would have to make a significant capital investment. In order to repay that debt, the rating agencies would be looking at the City's ability to repay. These contracts provide a thirty year source of revenues that could be used to retire debt and would result in a good bond rating.

President Toupin declared the meeting in recess at 6:40 P.M. He reconvened the meeting at 6:50 P.M.

Mr. Harvey Rose, Budget Analyst, Board of Supervisors, said that he took exception to the staff report for tonight's meeting on pages 16 and 17 as it related to his report to the Board of Supervisors. He expressed his opinion regarding specific parts of the staff report. He said that on February 24, 1987, the City of San Jose expressed interest in purchasing surplus Hetch Hetchy power. San Jose currently pays 78 mills per kilowatt hour to PG&E for electric power. Taking into consideration the transmission and distribution losses of energy, wheeling expense, and the cost of firming capacity provided by PG&E, the City would have to receive 56 to 58 mills per kilowatt hour to realize equivalent revenue benefits provided under the Modesto and Turlock arrangement. Therefore, if a negotiated rate could be achieved between 58 and 78 mills with the City of San Jose then San Francisco would realize greater revenue. Mr. Rose said that in his opinion when selling a commodity, until a competitive process is completed only then can the City be certain that the price it receives results in the maximum potential revenue to the City.

President Toupin opened the meeting for public comments.

Mr. Michael McGill, former assistant to Mayor Feinstein, spoke in favor of the contracts.

Ms. Deborah Chasnoff spoke on behalf of Roberta Achtenberg. She urged the Commission to sign a short term contract, to allow more time for public discussion, and to submit the issue to the voters.

Mr. Ray McDevitt, attorney for the San Francisco Bay Area Water Users Association, asked for an assurance that these contracts would not undermine the City's obligation to deliver water to the communities in the Bay Area.

President Toupin said that the provision of water would not be abrogated in any way by these contracts.

Mr. Richard Morten, representing the San Francisco Chamber of Commerce, supported the contracts. He noted that they maximize City revenues providing \$28 million to the general fund, include an escalation clause and protect the City from loss of revenues in dry years. Also, he pointed out that legal action could ensue if the City violated the principles agreed to in 1985.

Mr. Bruce Brugman requested the release of documents under the freedom of information act. Mayor Agnos inquired about the procedure for release of documents. Mr. Berliner stated that the City's Attorney's staff would meet with the Commission, inform them of the type of documents involved and the reasons why those documents should or should not be released, and allow the Commission to make the decision.

President Toupin stated that the Commission would meet with the City Attorney's Office on this issue and would notify Mr. Brugman of the outcome.

Mr. Stan Shields, representing San Francisco for Public Power, said that the contracts were flawed due to the lack of competitive requests for proposals.

Mr. Joel Ventresca, representing the Haight Ashbury Neighborhood Council, spoke in favor of municipalization.

Commissioner Buell inquired as to the amount of power the City generates. Mr. Harrison Call, PUC consultant, replied that ignoring the class one power, the system could generate 75 to 80 percent of residential power usage.

President Toupin called a recess at 8:20 P.M. The meeting was reconvened at 8:27 P.M.

Mr. Call said that taking into consideration the districts' Raker Act entitlement to class one power, Hetch Hetchy would serve approximately 56 percent of the residential load or 15 percent of the total load. In other words, if it were a municipal utility it would have to purchase about 85 percent of its power supply for all customers.

Mr. Marc Picker from the environmental office at U.C. Davis pointed out certain prohibitions in the Raker Act and alleged that Modesto and Turlock were violating the act by selling the water and power.

Mr. Boyd Sprain, also from U.C. Davis, continued discussion of Mr. Picker's point and said that the intent of the Raker Act was for San Francisco to municipalize its utilities.

Mr. Berliner said that he had read Mr. Picker's and Mr. Sprain's law article and disagreed with their interpretations of the Raker Act. He answered specific points made by them.

Ms. Alice Toomey, representing Harrison Lim of Charity Cultural Service Center, spoke in support of the contracts because they would provide \$28 million to the general fund. Any loss of income to the City may reduce the City's ability to assist in the development of San Francisco's communities.

Mr. Don Eichelberger, representing Abalone Alliance, suggested that the City consider alternative energy sources such as wind and wave power generation.

Ms. Lisa Kwan, representing Mr. Herbert Chew, Vice President of Kum Ling Yee Association, read a letter from Mr. Chew supporting the contracts. She noted that \$28 million represents one-third of the City's deficit.

The Honorable Richard Hongisto, Member of the Board of Supervisors, asked whether the Mayor had any objections to his testifying today. Mayor Agnos replied, "No."

Supervisor Hongisto said that 2,200 communities in the United States own utilities, and residents using community-owned utilities get forty percent cheaper power. He said that this was possible because community-owned power systems don't pay stockholders dividends, state or federal taxes, nor do they pay high executive salaries and lobbyists or make campaign contributions. He said that he did not contend that these contracts legally block the establishment of a community-owned power system, but they did as a pragmatic matter. He suggested that rather than buy out PG&E that the City bring in its own power and start its own community power system.

Mr. McGoldrick, representing Richmond Community Association, said that San Francisco's rates were higher than the rest of the nation. He spoke in favor of providing more information to the community and consideration of municipalization.

President Toupin stated that the Commission included money in its proposed budget for a study of the issue.

Mr. Mark Northcross, representing San Franciscans for Public Power, cited areas in the contract which he felt were broad or vague. He questioned the payment of cancellation charges in the event of termination. Mr. Snaider replied that the cancellation charge referred to specific property that may be put into the system for San Francisco for transmission and distribution to the City. If the City were to municipalize, it would buy that property and there would be no cancellation charge.

There being no more speakers President Toupin closed the public hearing.

Mayor Agnos thanked the Members of the Commission, the General Manager and staff for conducting this public hearing. He said that the next decision point would be the Board of Supervisors and then his office. He said that the information from the public will be extremely helpful.

THEREUPON THE MEETING WAS ADJOURNED: 9:36 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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/88

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

REGULAR MEETING

MAR 4 1988

Room 282, City Hall

SAN FRANCISCO
PUBLIC LIBRARY

2:00 P.M.

February 23, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:19 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Charna E. Staten, Commissioner Mark W. Buell

By Common Consent, the Minutes of the special meeting of February 2, and the regular meeting of February 9, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

By Common Consent the following resolution was adopted in Executive Session:

88-0048 GM Authorizing public disclosure of all documents and files in the possession of the Public Utilities Commission relative to negotiations of the power contracts which were the subject of a request pursuant to the public records act; said documents will be made available by noon February 24, 1988, at the City Attorney's Office, 214 Van Ness Avenue during regular business hours.

Present: Toupin, Lee, Staten, Buell
Absent: Flynn

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0047 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$25,000.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0049 MR Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts totaling \$195,537.04, for settlement of claims against the Municipal Railway, in the month of January, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0050 MR Approving compromise settlements in the amount of \$218.52 and collections in the amount of \$1,154.40, for payment of damage claims which the Municipal Railway has against miscellaneous debtors for the month of January, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0051 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-866, Cable Car Barn - Turntable Rehabilitation.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0052 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-980, Presidio Division: Shop Door Rehabilitation.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0053 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. 2002, 8-Inch Ductile Iron Main Installation in Marin Street from Bayshore Boulevard to Kansas Street, and Barneveld Avenue from Rickard Street to Silver Avenue.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0054 WD Accepting the work performed under Water Department Contract No. 1972, Sealing Roof Expansion Joints at the University Mound and Sunset Reservoirs, as satisfactorily completed, and authorizing final payment in the amount of \$10,654.75 to Bay Area Coatings, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0055 MR Accepting the work performed under Agreement for Rehabilitation, Repair and Pre-Maintenance Service of Montgomery Elevator Company Equipment at Van Ness and Church Street Stations - Muni Metro System, as satisfactorily completed, and authorizing final payment in the amount of \$58,052.13 to Montgomery Elevator Company, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0056 CC Approving and requesting Controller's concurrence in amending list of authorized signatures for General Claims Agent Revolving Fund to reflect departmental current personnel assignments.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

By Common Consent, the following resolution was adopted:

- 88-0057 GM Commending Donald J. Birrer, on the occasion of his retirement, for his service to the City and County of San Francisco.

On motion of Staten, seconded by Buell, the following resolution was adopted:

- 88-0058 GM Expressing reservations regarding the significant capital and operating costs of the proposed CALTRAIN subway extension; and urging the Metropolitan Transportation Commission to undertake appropriate steps to find a prudent technical and financial solution to the question of the peninsula commute.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Staten, seconded by Lee, the following resolution was adopted:

- 88-0059 MR Authorizing the General Manager of Public Utilities to apply for, accept and expend a grant of \$111,000 from the Metropolitan Transportation Commission's State Transit Assistance Special Projects Fund for the development of additional funding resources for the expansion of door-to-door paratransit services for disabled San Franciscans.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Staten, the following resolution was adopted:

88-0060 MR Authorizing the San Francisco Municipal Railway to modify the American Computer Exchange, Inc. (ACEX, Inc.) engineering services contract by an amount of \$125,000 for inspection of the 50 "New Flyer" 40-foot diesel coaches to be built in Canada, resulting in a total contract amount not to exceed \$359,443.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0061 MR Authorizing the General Manager of Public Utilities to negotiate and enter into a contract with D & D Engineering in an amount not to exceed \$185,000 to provide engineering services to evaluate and redesign the cable car brake system.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

88-0062 PT Opposing the proposed Charter amendment contained in Board of Supervisors File No. 487-87 pertaining to Binding Grievance Arbitration for Disciplinary Suspensions.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement

Commissioner Toupin announced that the Commission met in executive session immediately prior to the meeting to consider a request for documents related to the City's contracts with Modesto and Turlock Irrigation Districts and Pacific Gas and Electric Company. All commissioners were present except Commissioner Flynn. It was decided that all documents and files in the possession of the Public Utilities Commission would be made available no later than noon February 24, 1988, at the City Attorney's Office, 214 Van Ness Avenue during regular business hours.

Report of the General Manager

Hetch Hetchy Emergency

Mr. Dean W. Coffey, Acting General Manager of Public Utilities, announced that Unit No. 2 at Moccasin Powerhouse was dismantled for maintenance and repair. Major damage was found. On February 19, 1988, the President declared an emergency so that repairs could be made as expeditiously as possible.

Mission Valley Rock

Mr. Coffey said that at the request of Mr. Steven Bley, the item regarding the Mission Valley Rock Company lease will be continued to March 22, 1988.

Resolution No. 88-0058 -- Expressing reservations regarding the significant capital and operating costs of the proposed CALTRAIN subway extension.

Mr. Norman Rolfe, representing San Francisco Tomorrow, urged the Commission to table this matter and to support upgrade of the peninsula service.

Item No. 11 -- Presentation on plans to expand and improve handicapped accessible transportation services over the next three years.

Mr. Thomas Rickert, Manager, Elderly & Handicapped Programs, said that the goals of the plan are: 1) to expand accessible coach service to 40 lines; 2) to improve light rail accessibility; 3) to improve system environment; 4) to increase paratransit funding by developing non-traditional sources; and 5) to improve the quality of paratransit services.

Mr. Rickert said that 1900 people are on the waiting list--64 are AIDS patients and others are kidney patients on dialysis or cancer patients needing regular treatments. Services were expanded through the 3,300 free rides from the van purchase agreement. Also, the AIDS Emergency Fund will donate \$1,000 per month to the paratransit program. Currently, the program receives \$7,300 from non-traditional funding sources. In order to increase funds from outside sources, the department must be able to maintain the current program level so that new money becomes new service.

President Flynn complemented staff for a good report and requested that written copies be sent to the Commission.

Resolution No. 88-0062 -- Opposing the proposed Charter amendment pertaining to binding grievance arbitration for disciplinary suspensions.

Ms. Andrea Gourdine, Manager, Bureau of Personnel and Training, said the Board of Supervisors had considered a Charter Amendment which would have established binding arbitration for disciplinary suspensions of more than 5 days. Another provision would bind the department to Memoranda of Understanding negotiated by the Board of Supervisors. The Board disapproved the Charter Amendment in committee, but it came up last year and it may be back again.

Commissioner Toupin said that such a proposal should be strongly opposed. Commissioner Lee expressed the opinion that to arbitrate a 5-day disciplinary action would be ridiculous.

Mr. Ray Antonio, representing Transport Workers Union, Local 250A, said that he did not know the intent of the Commission's resolution since the proposed Charter Amendment was pulled by the Board of Supervisors. He urges the Commission not to take action today because the Charter Amendment may be revised if it is reintroduced.

Commissioner Buell said that if the package is changed later that the Commission could reconsider at that time.

On motion of Commissioner Buell, seconded by Commissioner Lee, Resolution No. 88-0062 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 3:10 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

MAR 18 1988

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

March 8, 1988

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:07 P.M.

Present: President H. Welton Flynn, Commissioner Jeffrey Lee,
Commissioner Charna E. Staten, Commissioner Mark W. Buell

Excused: Vice President Arthur V. Toupin

By Common Consent, the Minutes of the special meeting of February 17, and the regular meeting of February 23, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Staten, seconded by Lee, the following resolution was adopted:

88-0064 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$3,750,000 of Federal Aid Urban System capital assistance and required local match funds for construction of Harrison Street Motor Coach Operating Division and Harrison Street Annex Facility; and requesting the San Francisco Municipal Railway Improvement Corporation to allocate local match financing as needed for this federal grant.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0063 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$205,000.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0065 MR Approving compromise settlements in the amount of \$7,718.83 and collections in the amount of \$9,293.02, for payment of damage claims which the Municipal Railway has against miscellaneous debtors for the month of February, 1988.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

- 88-0066 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2001, 12-inch Ductile Iron Main Installation in Blanken Avenue between Tunnel Avenue and Executive Park Boulevard.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

- 88-0067 WD Awarding San Francisco Water Department Contract No. 1988, 8-Inch Ductile Iron Main Installation in 24th Street between Harrison Street and Potrero Avenue, in the net amount of \$189,950 to Ranger Pipelines, Inc. and Interlane General Engineering, Inc., A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

- 88-0068 MR Approving Contract Modification No. 1, increasing the amount of Municipal Railway contract No. MR-858R, Harrison Street Facility - Demolition, by \$32,311 and reducing the contract completion time allowance by 11 working days, Angotti and Reilly, Contractor.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

- 88-0069 MR Accepting the work performed under Municipal Railway Contract No. MR-953, Lighting Rehabilitation and Energy Conservation - Presidio, Potrero, Metro and Woods Divisions, as satisfactorily completed; approving Contract Modification No. 1 in the amount of \$3,637.29; authorizing an extension of time for unavoidable delays of 54 calendar days; and authorizing final payment in the amount of \$25,993.77 to Man Wah Construction Company, Contractor.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0070 MR Accepting the work performed under Municipal Railway Contract No. 836, Geneva Car barn, Construct New Trackwork and Shop Building, by the contractor, S. J. Amoroso Construction Company, Inc./Verrett Construction Company, A Joint Venture, as satisfactorily completed, and approving Credit Modification No. 24 in the amount of \$9,546.49.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0071 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1971, Potrero Hill Tank Painting, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$2,000 and authorizing final payment in the amount of \$798.75 to Giampolini & Company, Contractor.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0072 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1952, Pilarcitos Cottage Rehabilitation, as satisfactorily completed; approving Credit Contract Modification No. 2 in the amount of \$1,683.20; authorizing an extension of time for unavoidable delays of 2 calendar days; and authorizing final payment in the amount of \$6,107.73 to Far East Construction Company, Contractor.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0073 HH Confirming the declaration of emergency at the Moccasin Powerhouse Unit #2 and authorizing the expenditure of funds not to exceed \$200,000 - Holm Moccasin Powerhouse Exciter Replacement.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0074 EC Authorizing the Bureau of Energy Conservation to select, negotiate and execute a Professional Services Contract with California Environmental Internship Program (CEIP), consultant, to provide student interns who will work on a non-city funded Bureau project to promote energy conservation efforts in the San Francisco residential and commercial sectors; at a cost of \$76,900 funded by the Urban Consortium Energy Task Force and the U.S. Department of Energy.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0075 MR Requesting the Board of Supervisors to adopt legislation amending the San Francisco Municipal Code (Traffic Code), adding Section 13 enabling authorized Municipal Railway personnel to issue citations for violations of State law or the Municipal Codes relating to non-moving traffic violations affecting operations of the Municipal Railway, including the authority to tow or relocate cited vehicles.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0076 E Awarding Municipal Railway Contract No. MR-859, Harrison Street Facility - General Construction, in the amount of \$14,013,000 to Roebbelen Engineering, Inc., Contractor, as the lowest responsive bidder for the Base Bid plus Alternates 2, 3 and 4.

VOTE: Ayes - Flynn, Lee, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

88-0077 CC Authorizing the sale of an easement within City-owned land, being Parcel 1286, a portion of the Bay Division Pipelines 1 and 2 Right-of-Way in Fremont, at the fair market value of \$3,000; and authorizing the Director of Property to prepare the necessary legislation for enactment by the Board of Supervisors to consummate sale.

VOTE: Ayes - Flynn, Lee, Staten, Buell

By Common Consent, the following resolution was adopted in Executive Session:

88-0078 GM Approving the appointment of Donald F. Keener as Manager, Utilities Engineering Bureau, effective March 16, 1988.

By Common Consent, the following resolution was adopted in Executive Session:

88-0079 GM Authorizing the General Manager of Public Utilities to seek reclassification and immediate filling of the position of Manager, Bureau of Administration, PUC.

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Mr. Dean W. Coffey reported that at this time Hetch Hetchy is 60% of normal. There is enough water in storage to carry through the water year if there is no change. Commissioner Staten inquired about conservation efforts for San Francisco and suburban customers. Mr. Coffey replied that the department is not contemplating mandatory rationing, only conservative water measures. The department will be meeting with the suburban water users and should have a report for the Commission at the next Commission meeting.

Public Hearing - Resolution No. 88-0064 -- Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$3,750,000 of Federal Aid Urban System capital assistance and required local match funds for construction of Harrison Street Motor Coach Operating Division and Harrison Street Annex Facility; and requesting the San Francisco Municipal Railway Improvement Corporation to allocate local match financing as needed.

Commissioner Staten inquired about the chances of the City recovering charges for cleanup of contaminated soil, from the previous owner. Mr. Anson Moran, Assistant General Manager, Finance, replied that he felt the department had a strong case.

Commissioner Lee suggested that the soil contamination work be identified and listed as a separate bid item in the contract. Mr. Donald Keener, Acting Deputy General Manager and Chief Engineer, said that most of this work is not in the construction contract.

President Flynn opened the public hearing. There being no public comments, the public hearing was closed.

On Motion of Commissioner Staten, seconded by Commissioner Lee, Resolution No. 88-0064 was adopted.

Resolution No. 88-0076 -- Awarding Municipal Railway Contract No. MR-859, Harrison Street Facility - General Construction, in the amount of \$14,013,000 to Roebbelen Engineering, Inc., Contractor.

Mr. John C. Scott, Director of San Francisco Electrical Apprenticeship Training Committee and a member of the San Francisco Human Rights Commission Employment Committee, spoke in opposition to W.S.B. Electric, one of the subcontractors for Roebbelen Engineering, Inc. He said that over the last 10 years, W.S.B. Electric had no history of hiring minorities, females or apprentices.

In response to questions by the Commission, Mr. Baker said that the overall goals of the contract are being met. He said that his office does not work with subcontractors until the pre-construction conference. The subcontractor will be required to sign an "Attachment I" form which is an affidavit stating that they will achieve our workforce goals. If those goals are not met, the matter is submitted to the General Manager of Public Utilities and to the Commission for substitution of the subcontractor.

Commissioner Buell asked whether the Commission could award the contract to other than the low bidder under these circumstances. Mr. Josh Millstein, Deputy City Attorney, replied that the Commission must award to the lowest responsive bidder. The Commission would have to find Roebbelen non-responsive. The City Attorney's Office reviewed the contract and found Roebbelen responsive. W.S.B. applied to the apprenticeship program. Their application was not acted upon, instead W.S.B. is contributing to a State fund.

Mr. Richard Gangitano, Vice President, Roebbelen Engineering, Inc., stated that W.S.B. will be subcontracting the fire alarm and PA system to a MBE firm and is also buying all materials from a minority or DBE supply house. The firm is certified to train apprentices. He said that it is not necessary that any one trade meet the goal, it's the overall contract.

Mr. Richard A. Bamberger, representing the International Brotherhood of Electrical Workers, Local 6, suggested getting another contractor who has a history of meeting affirmative action goals.

Commissioner Lee asked the contractor if a problem developed with W.S.B. would he be in a position to substitute another subcontractor. Mr. Gangitano said that he would have to take a look at the other bids and there would be monetary considerations. He added that W.S.B. is a non-union electrical subcontractor with approximately 10% or less of the entire contract. W.S.B. will be subcontracting the PA and fire alarm system to a minority firm and also will be purchasing materials from a DBE. Mr. Gangitano asked whether W.S.B. will have trouble getting certified apprentices or female and minority workers.

Commissioner Lee moved adoption of the resolution to award the contract to Roebbelen with the understanding that staff will monitor this contract beginning prior to the start of work, and if any problems arise with subcontracts, staff will forward to the Commission a substitution of the cited subcontractor despite the possibility of delays to the work. Commissioner Buell seconded, and amended the resolution to require that staff submit a written report to the Commission prior to the start of construction regarding the results of the pre-construction conference. The resolution as amended was unanimously adopted.

Report of the General Manager - Continued

Appointment

Mr. William G. Stead, General Manager, Municipal Railway, announced the appointment of Mr. Philip Adams as Deputy General Manager and Chief Maintenance Officer.

Celebration

Mr. Jaimie Levin, Director of Community Affairs, announced that a celebration was being planned by the private sector to commemorate the 100th anniversary of the Powell Street cable car line. There will be a parade beginning at 10:15 A.M. from the Cable Car Barn to Union Square, followed by a ceremony at Union Square and a luncheon at the St. Francis Hotel. The net proceeds from the day will go to the Mayor's Homeless Fund. The Mayor will proclaim the day Friedel Klusmann Day.

Report on Market Street Thoroughfare Project

Mr. Charles O'Neil, DPW Project Manager, reported that construction would begin April 1, 1988 on the segment from 3rd Street to 8th Street, with a scheduled completion date of the day before Thanksgiving. The second phase, from Fremont to 3rd Street and 8th Street to 12th Street, will begin April 1989 and will finish the day before Thanksgiving.

THEREUPON THE MEETING WAS ADJOURNED TO AN EXECUTIVE SESSION ON
PERSONNEL: 3:39 P.M.

ROMAINE A. BOLDRIDGE
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

March 22, 1988

DOCUMENTS DEPT.

MAR 1 - 1988

COMMISSIONERS

SAN FRANCISCO
PUBLIC LIBRARY

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

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Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:05 P.M.

Present: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Mark W. Buell

Excused: President H. Welton Flynn, Commissioner Charna E. Staten
Vice President Arthur V. Toupin presided.

By Common Consent, the Minutes of the regular meeting of March 8, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0080 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$105,644.40.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0081 MR Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts, totaling \$259,891.79, for settlement of claims against the Municipal Railway, in the month of February, 1988.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0082 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-990, Cable Car System - Crowd Control at Terminals.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0083 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1990 - Crystal Springs Pipeline No. 1, Replace Section.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0084 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1983, Lower Crystal Springs Reservoir, Tower and Tunnel Rehabilitation.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0085 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. HH-788, Market Street Underground Control Centers - Repair and Replace Lighting Equipment.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0086 WD Awarding San Francisco Water Department Contract No. WD-1959R, Cathodic Protection - Peninsula Division Pipelines, in the net amount of \$294,490.00 to American Construction and Supply, Inc., Contractor.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0087 WD Accepting the work performed under Water Department Contract No. WD-1989, Furnish and Install Fiberglass Water Tanks, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$2,000.00, and authorizing final payment in the amount of \$38,780.00 to the Contractor, United Engineering Technology, Inc.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0088 MR Accepting the work performed under Municipal Railway Contract No. MR-961 Potrero Shops: Modification to Compressed Air System, as satisfactorily completed, and authorizing final payment in the amount of \$2,974.61 to the Contractor, Barga Industries, Inc.
- VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0089 HH Approving Contract Modification No. 1 to Hetch Hetchy Contract No. HH-769, Hetch Hetchy Fire Protection Systems, in the amount of \$24,053.11, increasing the contract amount to \$269,053.11 and extending the contract completion time by 60 calendar days.
- VOTE: Ayes - Toupin, Lee, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

- 88-0090 GM Authorizing the General Manager of Public Utilities to execute Modification No. 4 to the agreement with William B. Bonvillian, Esquire, increasing the amount by \$50,000, and extending the term one year.
- VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0091 GM Authorizing the General Manager of Public Utilities to execute Modification No. 2 to the Agreement with Brian E. Gray, Attorney at Law, increasing the contract amount by \$80,000.
- VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0092 MR Objecting to provisions in AB 3972, that would strengthen the role of the Metropolitan Transportation Commission (MTC) in setting local fare and service policies.
- VOTE: Ayes - Toupin, Lee, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

- 88-0093 MR Requesting approval by the Board of Supervisors of an amendment of Article 15, Part II, Chapter XI (Traffic Code) of the San Francisco Municipal Code, authorizing the Tax Collector to issue not more than 10 transferable parking permits per Railway facility for the use of employees assigned to work at that facility.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0094 MR Approving the transfer of Municipal Railway surplus funds in the amount of \$350,000 from Services of the Purchaser and \$350,000 from Services of the PUC, to Materials and Supplies-Fuel \$300,000 and Materials and Supplies-Non-fuel \$400,000.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0095 MR Approving Debit Modification in the amount of \$60,000 to provide funds for work to be performed as set forth in Contract Modification No. 1 to Municipal Railway Contract with San Francisco State University: providing for a 12-month extension of the term; additional funding for continuation of work on existing projects and funding for new projects; and adjustment of allowable overhead rates.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

- 88-0096 MR Authorizing the General Manager of Municipal Railway to expend \$92,965 for administration of the Transit Shelter Program in 1987/88, to be reimbursed by Gannett Transit Shelter Company.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

- 88-0097 WD Setting the date of April 19, 1988, at 5:30 P.M., in Room 282, City Hall, for Public Hearings on rates and charges for water service and water supplied by the San Francisco Water Department to retail and wholesale customers.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

- 88-0098 E Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute a Professional Services contract with Corrosion Engineering Research Company, for an amount not to exceed \$170,000, for the design of a cathodic protection system for Crystal Springs Pipeline No. 2, Sections 3 and 4.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

- 88-0099 FM Denying the appeal of 328-332 Ritch Street on the grounds that the contentions have not been supported by any available data; adopting a net increase of 3,172.71 sq. ft. of office use with a Transit Impact Development Fee of \$15,863.56 as the Final Determination for the project resulting from permit applications #8613282, 8703910 and 8716897; and reserving the right to re-evaluate and revise this determination if it is found that the ground floor of the building is actually built-out as office use rather than the currently proposed retail sales use.

VOTE: Ayes - Toupin, Lee, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

- 88-0100 CC Approving the sale of an easement, being San Francisco Water Department's San Mateo County Land, Parcel 16, San Andreas Pipeline No. 3 Right-of-Way; and authorizing the Director of Property to proceed with the necessary legislation for the enactment by the the Board of Supervisors to approve and grant the sale.

VOTE: Ayes - Toupin, Lee, Buell

By Common Consent, the following resolution was adopted in Executive Session:

- 88-0101 GM Approving the temporary appointment of Dean W. Coffey as General Manager of Public Utilities, effective February 23, 1988.

By Common Consent, the following resolution was adopted in Executive Session:

- 88-0102 GM Settling the litigation entitled Jerry Forrester v. City and County of San Francisco, Superior Court No. 870-279.

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcements

President Toupin announced that the Commission met in executive session on March 8, 1988, after the regular Commission meeting, and approved the appointment of Donald F. Keener as Manager of the Utilities Engineering Bureau and authorized the General Manager of Public Utilities to seek reclassification and immediate filling of the position of Manager, Bureau of Administration, PUC.

Report of the General Manager

Vancouver, Canada Trip

Mr. William G. Stead, General Manager, Municipal Railway, reported that a group of Municipal Railway and City officials made a trip to BC Transit "Skytrain" in Vancouver, Canada to examine their signal system and proof of payment system for possible implementation here. He reported that the group was favorably impressed with both systems and will begin to develop a grant application to provide funding for the signal system.

Water Condition

Mr. Dean W. Coffey, Acting General Manager of Public Utilities, reported that the Hetch Hetchy system is at 59% of an average year. He said that this looks like a critical year. He introduced Mr. Robert Vasconsellos, Manager, Rates and Resources-San Francisco Water Department, to discuss implementation of a voluntary conservation program.

Mr. Vasconsellos said that the department does not anticipate water rationing at this time. The program would be to achieve an increased level of conservation so that there would be water for next year in the event next year is the third dry year in a row. Last year we pursued a 10% reduction through a voluntary program. It was unsuccessful. The year ended with a 6-1/2% increase. This year we want to introduce mandatory restrictions on water use designed to eliminate water waste. San Francisco only uses one-third of the water and the suburbs use two-thirds. In order for a program to be effective, it must be applied systemwide. Currently the department is in discussions with the suburbs on this issue and they are in agreement that such a program is necessary. To make the program effective, enforcement would be through shutting off water rather than through fines and penalties. This would require an amendment of the rules and regulations.

Mr. Coffey added that the department is trying to develop a uniform program to be applied throughout the entire Bay Area.

Resolution No. 88-0092 -- Objecting to provisions in AB 3972, that would strengthen the role of the Metropolitan Transportation Commission (MTC) in setting local fare and service policies.

Ms. Kathleen Kelly, Principal Administrative Analyst-Finance Bureau, said that studies were made by MTC to determine how transit could be improved in the Bay Area. They considered the concept of a super agency and a corridor approach. Five of the recommendations were put into Assembly Bill 3972. The bill would increase the role of MTC, particularly in the area of coordinating fares and service on a regional basis. Currently San Francisco carries 60% of the regional ridership but only has 2 representatives on MTC.

Ms. Doris Kahn, Chair of the Metropolitan Transportation Commission, pointed out that MTC needs more authority over transit operators in order to improve the quality of transit services throughout the region.

Andy Moran, Assistant General Manager, Finance, said that staff is in favor of coordination with MTC in several areas but is concerned about giving MTC authority that could have a significant effect on the general fund without providing the necessary funding to carry out their decisions.

Commissioner Lee moved, Commissioner Buell seconded, to approve the staff recommendation to oppose AB 3972. The resolution was unanimously adopted.

Item No. 20--Regarding the adjustment in the payment for per ton of quarry product removed from premises leased to Mission Valley Rock Company (Continued from February 9, 1988).

Ms. Deborah Rohrer, Manager, Bureau of Claims and Contracts, stated that the lease does not provide for a fair market rental. It provides for a rental that is fair and justifiable. She cited various selling prices. Mission Valley Rock Company's (MVR) selling price is currently at the top in this area. The industry standard for royalties is between 6-10% of the selling price. The proposed royalty of 56 cents is over 10% of the selling price. The 1988 survey shows that 50 cents per ton is in excess of what all other quarries in the immediate area are paying. The Syar lease, which was presented as having a higher royalty, is of significantly higher quality product. It is basalt which is similar in quality to the Apperson Ridge quarry. The Apperson Ridge quarry is paying a royalty of 30-35 cents per ton with a 5 cents mitigation royalty to East Bay Regional Park. Hauling costs are regulated by the State Public Utilities Commission by zone. Companies are either advantaged or disadvantaged based upon their location and the location of their market. That is factored into the selling price. Regarding the quality of rock, all of the quarries meet State specifications. Regarding washing costs, those are management and operation costs which are not relative to setting a royalty. MVR will be investing over \$1 million for additional washing equipment because there is more clay in the deeper rock. In summary she said that staff believes that 56 cents is a fair and justifiable amount and over the market. In determining that amount the Construction Cost Index was applied as a fair standard for accessing an increase.

Mr. Steven Bley said that it is his position that the City should determine the amount of royalty by retaining an independent expert to advise the City. He said that he retained Mawhinney and Associates who has experience in appraising rock quarries. He said that he instructed Mr. Mawhinney to act as though he had been hired by the City to advise the City what information they should have to be able to negotiate with an individual or company who desired to lease, in this case actually buy, because whatever is taken out of the ground is actually gone.

Mr. John Mawhinney said that his preliminary findings were that the subject property has a significant advantage in regards to transportation and processing costs over its competitors ranging from \$1.00 to \$1.80 per ton. He recommended that a full-scale appraisal investigation be made, including data on primary market, hauling, production and reclamation costs. He expressed the opinion that the subject property has a cost advantage, on average, of \$1.40 per ton, and that it would be fair for the City, as landlord, to receive at least one-half of the excess profits which this site enjoys.

In response to questions by the Commission, Mr. Mawhinney said that a fullscale appraisal would cost about \$12,000 - \$15,000 and would take about 30-90 days.

By Common Consent, this matter was continued for more information, to a time uncertain.

THEREUPON THE MEETING WAS ADJOURNED TO AN EXECUTIVE SESSION: 4:47 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

REGULAR MEETING

MAY 4 1988

Room 282, City Hall

SAN FRANCISCO
PUBLIC LIBRARY

2:00 P.M.

April 12, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

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Performance Monitoring

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Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:12 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Charna E. Staten, Commissioner Mark W. Buell

On motion of Toupin, seconded by Buell, the Minutes of the regular meeting of March 22, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0103 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$48,425.86.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0104 MR Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts, totaling \$266,081.66, for settlement of claims against the Municipal Railway, in the month of March, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0105 MR Approving compromise settlements in the amount of \$1,602.58 and collections in the amount of \$6,903.99, for payment of damage claims which the Municipal Railway has against miscellaneous debtors for the month of March, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0106 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1993, 8-Inch Ductile Iron Main Installation in Fulton Street between Fillmore Street and Franklin Street.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0107 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1999, Alameda Creek Diversion Dam Spillway - Concrete Repairs.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0108 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1997, 8-Inch Ductile Iron Main Installation in Post Street between Powell Street and Market Street.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0109 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2011 - Repaving of Street and Sidewalk Openings for the San Francisco Water Department for the Fiscal Year Ending June 30, 1989.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0110 WD Awarding San Francisco Water Department Contract No. WD-1998, 8-Inch Ductile Iron Main Installation in Point Lobos Avenue, Great Highway and Balboa Street from Cliff House to 46th Avenue, in the net amount of \$112,770 to Ranger Pipelines, Inc. and Interlane General Engineering, a Joint Venture.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0111 WD Awarding San Francisco Water Department Contract No. WD-2004, Electrical Upgrade - 425 Mason Street Building, in the amount of \$99,386 to Berrios Construction Company, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0112 HH Accepting the work performed under Hetch Hetchy Contract No. HH-782, Moccasin Powerhouse Tailrace Modifications Phase I Bypass Inlet Structure, as satisfactorily completed, and authorizing final payment in the amount of \$8,620.64 to L. F. Genner Construction, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0113 HH Accepting the work performed under Hetch Hetchy Contract No. HH-657, No. 5 Fulton Line, Van Ness Avenue to Westerly Terminus, Trolley Coach Overhead Reconstruction, as satisfactorily completed; approving Debit Contract Modification No. 3 in the amount of \$1,281.32; and authorizing final payment in the amount of \$1,600 to Kingston Associates, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0114 EC Requesting the Mayor to recommend to the Board of Supervisors, a supplemental appropriation and amendment to the Annual Salary Ordinance Section 40/06/00/00000/001, relating to the position of Manager, Bureau of Energy Conservation, PUC.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0115 E Delegating to the Manager, Utilities Engineering Bureau, the responsibilities previously given to the Deputy General Manager and Chief Engineer.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0116 E Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 3 to the agreement with DeLeuw, Cather and Company, for additional engineering services, Muni Harrison Street Facility, in an amount not to exceed \$715,965.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0117 E Authorizing the Manager, Utilities Engineering Bureau to execute Amendment No. 1 to the agreement with Leedshill-Herkenhoff, Inc. (Consultant), to complete the design of the Lower Crystal Springs Reservoir Footbridge Upgrade, in an amount of \$5,315.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0118 CC Approving and requesting the Controller to draw a warrant in favor of Bernard Ogbuagu in the amount of \$22,500, in full settlement of vehicular accident claim against Hetch Hetchy Water and Power.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0119 GM Authorizing the General Manager of Public Utilities to execute a contract for the sale of 25 acres of surplus Water Department property to the Pleasanton Joint School District, and requesting Board of Supervisors' approval.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Lee, the following resolution was adopted:

- 88-0120 GM Supporting passage of H.R. 3988, as an effective means of supplying the needs of municipal and industrial water users in Southern California and authorizing the General Manager of Public Utilities to communicate the Commission's support of said legislation to the Mayor and the City's Congressional delegation.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

- 88-0121 GM Authorizing Gannett Outdoor Company, Inc. of Northern California to expand the Transit Shelter Program beyond the minimum level of 350 shelters.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Staten, the following resolution was adopted:

- 88-0122 MR Setting the date of April 28, at 3:00 P.M., in the Commission Meeting Room, Main Library, Civic Center, San Francisco for a Public Hearing on considering a proposal for establishment of special fares for Bay to Breakers Race service provided by the Municipal Railway.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Staten, the following resolution was adopted:

- 88-0123 MR Approving permanent loan of PCC Streetcar No. 1121 to the Pacific Southwest Railway Museum of La Mesa, California.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0124 MR Authorizing the establishment and administration of a Paratransit Fund for the purpose of receiving all donations of money, property and personal services, and requesting the Board of Supervisors to amend Chapter 10 of the San Francisco Administrative Code by adding Section 10.109-10 to accomplish this.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0125 MR Authorizing the General Manager of Public Utilities to execute Amendment No. 2 to the contract with the U.S. Human Resources Corporation, to perform additional fund-raising services, for an amount not to exceed \$111,000 by June 30, 1991, subject to availability of funds from a State Transit Assistance Special Projects Funds grant.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0126 MR Authorizing the General Manager of the Municipal Railway to execute a Revocable Permit granting to the Market Street Railway, use of the Trolley Festival storage site for restoration activities of historic MUNI vehicles by volunteers.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0127 MR Authorizing the General Manager of the Municipal Railway and the Assistant General Manager of Finance, PUC to jointly execute Municipal Railway contracts to recover costs of providing special services for amounts not to exceed \$5,000.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0128 MR Requesting the Mayor to recommend to the Board of Supervisors a Municipal Railway Supplemental Appropriation in the amount of \$70,000 for overtime costs for wire rope cable maintenance mechanics in the cable machinery unit.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

88-0129 E Allowing the apparent low bidder, Alan Barreca, Inc., to be relieved of their bid due to a clerical error; and awarding Municipal Railway Contract No. MR-876, Treat Avenue Facility, Site Preparation, in the amount of \$595,645.55 to Berrios Construction Company, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0130 HH Authorizing the General Manager of Public Utilities to execute Amendment No. 1 to the Professional Services Agreement with Westin Engineering, Inc., for the design and implementation of the Computer Based Power Scheduling System, in an amount not to exceed \$156,624.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0131 HH Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$15.7 million, for purchase of additional power from PG&E for resale.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Buell, seconded by Lee, the following resolution was adopted:

88-0132 HH Authorizing the General Manager of Public Utilities to amend the existing Professional Services contract with Call Co., Ltd., consultants, through December 31, 1988, increasing the authorized amount by \$200,000 - not to exceed \$585,000.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Lee, seconded by Buell, the following resolution was adopted:

88-0133 CC Declaring a portion of Water Department Lake Merced Tract land as surplus and authorizing the Department of Real Estate to negotiate transfer of the property to Daly City for public use.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0134 CC Authorizing execution of a two-year lease of .402 acres of former Muni Railway Right-of-Way land located in San Mateo County, to Stan the Roof Man, Inc. for storage, employee and equipment parking, commencing January 1, 1988 and terminating on December 31, 1989, at an initial annual rental of \$15,600, increasing annually in direct proportion to any percentage increase in the Cost of Living Index.

VOTE: Ayes - Flynn, Toupin, Lee, Staten, Buell

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Water Rationing

Mr. Dean W. Coffey, General Manager of Public Utilities, said that due to deteriorating conditions in the Hetch Hetchy watershed and projected weather conditions he recommended a public hearing to consider a water rationing plan to reduce usage by 25 percent. The hearing was scheduled for April 28, 1988 at 3:00 P.M. in the Commission Meeting Room of the Main Library.

One-Half Cent Sales Tax

Mr. Coffey stated that Supervisor Carol Ruth Silver intends to sponsor a ballot measure to increase the sales tax by one-half cent. Mr. Douglas Wright, Director of Planning and Development, stated that the legislation was drafted in accordance with State legislation which states that the Public Utilities Commission is the lead agency

in defining what the ballot measure would be. Also, State legislation provides for establishment of an advisory committee. Following conversations with the Chief Administrative Officer and the Department of Public Works, staff recommends amendment of the legislation to include the Department of Public Works and the Public Utilities Commission as the Committee.

Commissioner Lee asked what distribution was proposed for the one-half cent sales tax. Mr. Wright replied that there was no proposed distribution in this legislation. Commissioner Staten said that a member of the Commission should be a member of the committee. President Flynn appointed Commissioner Staten to serve on this committee. President Flynn inquired as to the restrictions which would be placed on the use of this money. Mr. Wright said that it was his understanding that the funds had to go for new service or new capital items. Commissioner Buell asked whether this Commission would have to recommend the measure before it went to the Board of Supervisors. Mr. Wright replied affirmatively. Commissioner Lee said that he would have serious reservations about using the additional funds for operational purposes without controls. Mr. Anson Moran, Assistant General Manager, Finance, said that it is a very controlled process. First the Public Utilities Commission would need to develop a plan for spending the funds. That plan would be submitted to the Metropolitan Transportation Commission, to the Board of Supervisors, and then to the voters for approval. Then there would be an ongoing committee established to control administration of the funds consistent with the plan. Commissioner Staten inquired as to whether the Commission could be the oversight committee. Mr. Moran replied that the authority must be comprised of elected officials.

Announcements

President Flynn announced that the Commission met in executive session immediately following the meeting of March 22, 1988 and approved the temporary appointment of Dean W. Coffey as General Manager of Public Utilities, effective February 23, 1988, and approved settlement of litigation entitled Jerry Forrester v. City and County of San Francisco.

Introduction of Old Business

Commissioner Staten requested a report at the next meeting regarding Municipal Railway deferred maintenance and the process staff is using in working with the Mayor's Office on this problem.

Resolution No. 88-0119 -- Authorizing the General Manager of Public Utilities to execute a contract for the sale of 25 acres of surplus Water Department property to the Pleasanton Joint School District, and requesting Board of Supervisors' approval.

Commissioner Toupin asked how this sale would impact our remaining property. Mr. Wright replied that if this goes through, the City would have 524 acres of undeveloped land, much of which would go for high density housing. A school would be consistent with that use. Commissioner Buell expressed the opinion that our property would probably be developed for residential purposes. Therefore, a school site would enhance the value of our property. However, we don't know whether we will get approval for our site.

Commissioner Flynn asked whether it was necessary for the City to give up 1.9 acres without receiving compensation. Mr. Anthony Delucchi, Director of Property, stated that there will be certain requirements placed upon the City's land for whatever specific plan is approved. One of those would be to provide access roads. The 1.9 acres will provide access to the rear of the City's property. If this were not reserved now, it would have to be dedicated at a future time.

Commissioner Flynn questioned the calculation of the sale price of \$3,120,400, from the per acre price of \$125,000. Commissioner Lee proposed to amend the resolution to show the effective sale price of \$124,816 per acre. On motion of Commissioner Toupin, seconded by Commissioner Lee, the resolution, as amended, was unanimously adopted.

Resolution No. 88-0121 -- Authorizing Gannett Outdoor Company, Inc. of Northern California to expand the Transit Shelter Program beyond the minimum level of 350 shelters.

Commissioner Staten said that she supported the program but was concerned about the design of the seats for elderly people. She suggested that the contractor look at the design from a safety standpoint.

Mr. Dell Jordan, a resident of Potrero Hill, said that there was a problem with the location of certain shelters, specifically the one at 18th and Castro Streets. He also said that by having advertising on the shelter, it added to the visual litter of the City.

Mr. Julius Zamacoma spoke against the shelter program in general and cited problems with the seats, graffiti and cleanliness.

Commissioner Staten pointed out that the City is not paying for the shelters. The advertising revenue pays the contractor for the installation and maintenance of the shelters.

President Flynn requested that staff discuss modification of the seats with the contractor and report back to the Commission.

Resolution No. 88-0129 -- Allowing the apparent low bidder, Alan Barreca, Inc., to be relieved of their bid due to a clerical error; and awarding Municipal Railway Contract No. MR-876 in the amount of \$595,645.55 to Berrios Construction Company, Inc., Contractor.

Commissioner Toupin questioned the recommendation to award to the second lowest bidder in the amount of \$595,645.55 when the apparent low bidder bid \$573,750, which was later corrected to \$544,050.

Mr. George Krueger, Utilities General Counsel, stated that the low bidder would not accept the contract at \$544,050 and asked to be relieved from the bid due to a clerical error. The City cannot award the contract to the low bidder at the \$573,750 because the figures do not total that amount.

Commissioner Toupin asked whether it would cost the City more than the \$20,000 difference between the apparent low bid and the second low bid to rebid the work. Mr. Donald Keener, Manager, Utilities Engineering Bureau, replied that it would cost more than that in staff time.

On motion of Commissioner Buell, seconded by Commissioner Lee, Resolution No. 88-0129 was adopted, awarding the contract to the second low bidder.

THEREUPON THE MEETING WAS ADJOURNED: 3:30 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

April 26, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:05 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Charna E. Staten, Commissioner Mark W. Buell

Excused: Commissioner Jeffrey Lee

On motion of Toupin, seconded by Buell, the Minutes of the regular meeting of April 12, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0135 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2003, Sunol Water Filter Plant - Modify Wash Water Pond and Sludge Drain System.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0136 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-875, No. 14 Mission Line between Main and Fourth Streets, Trolley Coach Overhead Reconstruction.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0137 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-877, Construction of Handicapped Platforms at Junipero Serra Boulevard and Ocean Avenue and at the Balboa Park Station near Geneva Avenue.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0138 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-860, Treat Avenue Facility - General Construction.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0139 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. HH-797, Cherry-Eleanor Pump Station.

VOTE: Ayes - Flynn, Toupin, Staten, Buell,

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0140 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. HH-792, Replace Streetlight Yard.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0141 WD Awarding San Francisco Water Department Contract No. WD-1963R, Reroof CDD Water Department Buildings, in the amount of \$125,012, to Anderson Roofing & Sheet Metal Co., Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

88-0142 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1965R, Bay Division Pipelines 1 and 2 - Cathodic Protection, as satisfactorily completed; approving Debit Contract Modification No. 3 in the amount of \$4,300; authorizing an extension of time for unavoidable delays of 29 calendar days; and authorizing final payment in the amount of \$52,453.90 to Aspen Construction of California, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0143 WD Requesting authorization of the Controller to reallocate the amount of \$67,500 for new telephone system costs, to be funded from Materials and Supplies.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0144 WD Approving the sale of an easement within Water Department land, being a portion of Summit Reservoir Tract, to PG&E to convert their existing overhead facilities to underground; and authorizing the Director of Property to prepare the necessary legislation for Board of Supervisors enactment to consummate the sale.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Buell, seconded by Toupin, the following resolution was adopted:

- 88-0145 MR Requesting the San Francisco Municipal Railway Improvement Corporation to provide up to \$250,000 in funds to secure a contractor to study contamination from the Kirkland bus and maintenance yard operations, reimbursement to be made from the sale of Kirkland.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Buell, seconded by Toupin, the following resolution was adopted:

- 88-0146 MR Authorizing extension of the Municipal Railway's participation in the Regional Transit Connection Clearinghouse for six months.

VOTE: Ayes - Flynn, Toupin, Buell
 Excused - Staten

On motion of Toupin, seconded by Buell, the following resolution was adopted:

- 88-0147 MR Requesting the Mayor to recommend to the Board of Supervisors a Municipal Railway Supplemental Appropriation in the amount of \$125,000 for platform overtime, to be funded from surplus Miscellaneous Salaries.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

- 88-0148 WD Authorizing the General Manager of the Water Department to request proposals and to select and recommend an engineering consulting firm to initiate water quality investigations and treatment alternative studies to evaluate the treatability of various San Francisco water system surface supply sources, with respect to new water quality standards.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Staten, seconded by Buell, the following resolution was adopted:

- 88-0149 HH Authorizing the General Manager of Public Utilities to execute Amendment No. 1 to the Professional Services Agreement with Bechtel North American Power Corporation for design and implementation of a records management program, in an amount not to exceed \$152,630.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Buell, seconded by Staten, the following resolution was adopted:

- 88-0150 FM Authorizing amendment of the Public Utilities Commission Fiscal Year 1988/89 budget request, increasing funding of four on-going services and two new programs, at a total cost of \$899,578.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

On motion of Buell, seconded by Toupin, the following resolution was adopted:

- 88-0151 CC Authorizing the transfer of surplus funds totaling \$400,000 from Municipal Railway's Fixed Charges (\$50,000), Bureau of Light, Heat and Power (\$200,000), and Services of the Public Utilities Commission (\$150,000) to Object 1450 Claims, for payment of claims, settlements and judgments.

VOTE: Ayes - Flynn, Toupin, Staten, Buell

By Common Consent, the following resolution was adopted in Executive Session:

- 88-0152 Approving the temporary appointment of Anson Moran as General Manager, Hetch Hetchy Water and Power, effective May 2, 1988.

By Common Consent, the following resolution was adopted in Executive Session:

88-0153

Approving the appointment of Edward Harrington as Acting Assistant General Manager, Finance, PUC, effective May 2, 1988.

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Status Report on Deferred Maintenance

Mr. William G. Stead, General Manager, Municipal Railway, reported that last year staff worked with Mayor Feinstein's Office to develop a zero based budget for three divisions--Cable Car, Ways and Structures and Engineering. The purpose was to document the amount of work that should be done and the amount of work being performed with existing resources. However, no additional resources were allotted due to the City's budget problems. Monitoring of the tasks which should be done indicates that in Cable Car Machinery 68% of the work is being done and 32% is being deferred; in Ways and Structures 59% of the work is done on straight time, 2% on overtime and 39% is deferred; in Engineering 42% is done on straight time, 1% on overtime and 57% is deferred. He said that he did not have a plan to solve the problem now, but that staff would propose something in the fall which would be less than the perfect world. In the short term--one, two or three years--the physical plant will be safe and will not fall apart. In the long term there will be problems.

Commissioner Staten asked how many of these items could be covered by the 1/2 cent sales tax. Mr. Stead said that many of them could be included as replacement items, rather than deferred maintenance.

Commissioner Staten asked about the process of working with the Mayor's Office for handling deferred maintenance. Mr. Stead said that the former Mayor had indicated that while there was no room for additional positions this year, that an effort should be made to increase staffing over a 5-year period.

Update on Transit Shelter Seats

Mr. Douglas Wright, Director of Planning and Development, reported that the selection committee had spent a great deal of time reviewing the seat design. He said that it is not intended as a seat but as a leaning perch. The same design has been used in several cities. So far there have only been two written complaints about the seats.

Commissioner Staten asked about the experience of other cities regarding safety of the seats. Mr. Louis Lillian, of Gannett Outdoor, replied that he was not aware of any accidents regarding the seats.

Resolution No. 88-0146 -- Withdrawing the Municipal Railway from participation in the Regional Transit Connection Clearinghouse in Fiscal Year 1988-89.

Mr. Jaimie Levin, Director of Community Affairs, described the Regional Transit Connection as a joint program of the Regional Transit Association (RTA) which uses a contract broker to sell transit passes to employers in the Bay Area. The program was first funded by a State grant and for the last nine months has been funded by the RTA operators. The Municipal Railway's share was \$26,000 this year and will be \$44,000 next year. The program represents 3.4% of the Municipal Railway's total pass sales. He said that if the Municipal Railway discontinued the program due to budget restrictions, those employers purchasing from the vendor could be supplied directly from the Municipal Railway at no additional cost.

Commissioner Staten expressed concern that if the Municipal Railway dropped out of the program it would be destructive to the entire system. She suggested giving RTA six months to produce data to justify our continuing the program.

Mr. Stead said that the Metropolitan Transportation Commission (MTC) intends to look for other sources of funds for this program. He added that the cost of the program is equal to one operator position. He expressed the opinion that there will never be definitive proof that this program pays for itself. If this program were not in place, people would go elsewhere to buy a pass.

Commissioner Toupin expressed the opinion that a transit authority should be behind every effort possible to get people to use the system.

Commissioner Buell said that while he felt the program should be encouraged, he did not feel that the City should subsidize it. It should be funded by the private sector or the MTC.

Commissioner Buell moved to extend the program for six months while other funding sources are explored in the private sector and through the Metropolitan Transportation Commission; and to direct staff to report to the Commission in six months. Commissioner Toupin seconded.

Commissioner Staten requested to be excused from voting on this matter. On motion of Commissioner Buell, seconded by Commissioner Toupin, Commissioner Staten was excused from voting on this item. On the motion to extend the program for six months, Commissioner Flynn, Toupin and Buell voted "aye". The resolution was adopted.

Resolution No. 88-0051 -- Authorizing the transfer of surplus funds totaling \$400,000 for payment of claims, settlements and judgments.

Commissioner Staten requested that staff look into various ways of reducing claims and the City's liability. President Flynn requested that staff age the outstanding claims and high settlement amounts.

Mr. Stead said that accidents were down 68% over the last seven years, however, in the last year accidents were up slightly. He said that the system tends to inhibit management's ability to fire

operators for excessive accidents. This is an issue which will be addressed in the next Memorandum of Understanding negotiations.

THEREUPON THE MEETING WAS ADJOURNED TO AN EXECUTIVE SESSION ON PERSONNEL AND ATTORNEY-CLIENT MATTERS: 3:26 P.M.

ROMAINE A. BOLDRIDGE
Secretary

MAY 17 1988

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CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

SPECIAL MEETING

Room 1194, State Office Building
350 McAllister Street
San Francisco, California

3:00 P.M.

April 28, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

ACTING GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 3:15 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Charna E. Staten, Commissioner Mark W. Buell

Excused: Commissioner Jeffrey Lee

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

Announcement

President Flynn announced that the meeting was called to order at 3:15 P.M., 15 minutes after the scheduled time, to allow the public to assemble due to change of the meeting location.

Public Hearing

Resolution No. 88-0154 -- Modifying the Schedule of Rates, Fares and Charges of the San Francisco Municipal Railway for the Bay to Breakers Race Service.

Mr. George Newkirk, Director of Labor Relations, stated that the proposed increase is for the purpose of recovering the actual cost of providing the service. In the past, the regular fare of 75 cents was charged. The actual cost was \$82,000. It has been determined that a \$3.00 round trip fare would recover the cost of providing the service.

President Flynn asked for public comments. There were none.

On motion of Commissioner Toupin, seconded by Commissioner Buell, Resolution No. 88-0154 was unanimously adopted.

Public Hearing

Resolution No. 88-0155 -- Declaring a Water Shortage Emergency; adopting a Water Conservation Program and directing that it be placed in force on May 1, 1988; authorizing interruption of service to the Cities of San Jose and Santa Clara, if necessary; and authorizing additional budget needs to be added to the Water Department's Conservation Programmatic Budget Request for FY 1988/89.

Mr. Dean W. Coffey, General Manager of Public Utilities, stated that the anticipated runoff in the Hetch Hetchy watershed would be one-quarter of normal. He said that water rationing now is an absolute must if we are going to be able to assure continued supply without draining the reservoirs.

Mr. Art Jensen, Deputy General Manager, San Francisco Water Department, stated that last year local rainfall was 59% of normal. This year local rainfall totals 67% of normal. This is the 7th driest year since 1930. In the Hetch Hetchy watershed, the snowpack is below normal for the second year in a row. Projected runoff is

35% of normal. Local storage is below 50% of usable capacity. An analysis was made which assumed another dry winter, considered the Raker Act entitlements of the water users downstream, and assumed no use of water to generate power beyond that required to bring water to the Bay Area or to meet the downstream requirements. The analysis indicated that a 25% reduction from 1987 usages would meet the desired storage levels.

Mr. Robert Vasconcellos, Manager for Resources and Planning, San Francisco Water Department, said that the proposed rationing plan is designed to reduce consumption 25% from the 1987 levels. The major criteria used in developing the plan was: 1) protection of jobs and business; 2) minimizing hardship on residential customers; and 3) equitable treatment for all customers--business and residential, in the City and in the suburbs. The plan calls for a 10% reduction in inside water use and a 60% reduction in outside usage. We feel that with prudent use, landscaping can survive. He described some of the restriction and exception procedures.

President Flynn opened the meeting for public comments.

Mr. Ray McDevitt, counsel for the Bay Area Water Users Association, spoke from a prepared statement, a copy of which is on file with these minutes. He said that the formula of 90% winter use and 40% summer use distributes the reduction differently between the City and the suburbs. In the City it's a 14% reduction while in the suburbs it's 27%. In June and July the reduction is 13% in the City and 35% in the suburbs. In August and September the reduction in the City is 14%, and 35% in the suburbs. He said that the Association is challenging the idea of a two-tier plan. He urged the Commission to: 1) base water conservation goals on the facts, (the Association engineers' calculations show that a 25% cut in consumption is more than is needed to achieve the goals); 2) keep the water in the reservoirs (he stated that the Department is planning to release water from mountain reservoirs at rates that exceed those needed to meet downstream water rights and Bay Area demand); 3) seek supplementary sources of water, (he suggested asking Modesto and Turlock Irrigation Districts to allow a negative balance in the Don Pedro Water Bank or to seek to obtain State water); 4) not ignore the hardships to San Jose and Santa Clara that a complete cutoff of water to those cities would create. At its meeting on Tuesday, April 26, 1988, the Association members passed a resolution urging the Commission to give due consideration to the hardship that an interruption of service would create in those communities. A copy of the resolution is attached to this statement.

Mr. William McCann, General Manager of Purissima Hills Water District, stated that the District will be required to save from 40.9 to 45% during the summer months. He suggested that some method of averaging or banking of credits be allowed.

Mr. Al Adveueno, Member of the Board of Directors of Coastside County Water District, said that 60% of their water comes from the San Francisco Water Department's Pilarcitos Lake. During the 1976-77 drought the District was asked to cut back 25% and actually cut back 27%. This time they are being asked to cut back from 38 to 46%. He said that the principal industry is horticulture. Many of the flower growers have installed systems that capture rain water, utilize underground supplies, and recycle water. He suggested a 15% reduction for both in City and suburban customers.

Mr. Vasconcellos said that the plan allows the Water Department to look at specific uses of water. Coastside's concerns fall into the category of protecting jobs rather than residential irrigation.

Mr. David Gill, representing Santa Clara Valley Water District, stated that the Santa Clara watershed area is also suffering from the drought. If pumping of ground water is accelerated there will be subsidence or sinking of the ground which is an irreversible process. He urged that the Commission not interrupt service to the Cities of Santa Clara and San Jose.

Dick Hathorn, Director of Water and Sewer Utilities for the City of Santa Clara, said that Santa Clara is willing to work with the Water Department to achieve reductions in water usage which are necessary and appropriate in the current water shortage situation. He said that the area north of the Bayshore freeway is 90% supplied by Hetch Hetchy water. The City's remaining water production facilities lie south of the freeway. There would be a severe reduction in pressure to customers if the City were to attempt to supply the northerly area. Many of the "high tech" companies chose to locate in the northern Santa Clara area due to the supply of low mineral content Hetch Hetchy water. He pointed out that the City of Santa Clara accounts for only 1.9% of the requested reduction. He urged the Commission to maintain continuity of service.

Mr. Kent Dewel, Director of Public Works for the City of San Jose, said that the City opposed the 100% interruption of service. The area of San Jose supplied by the Water Department has no other source of supply except ground water. Use of ground water to meet the needs of the area will cause serious problems of ground subsidence and reduction of the water table to a level which may not regenerate to a level where ground water can act as an alternate water source. He said that he was willing to work with the Water Department to develop an allocation for San Jose rather than interruption.

Commissioner Toupin requested information regarding the proposal to interrupt service to San Jose and Santa Clara.

Mr. Jensen stated that this is a matter covered in the rate settlement with our other suburban customers and the Cities of Santa Clara and San Jose. They are temporary and interruptible customers. There is a provision in the rate agreement which would indicate that they should be interrupted prior to reduction of water to any other users, including the City and County of San Francisco. We are willing to work with the cities to see what sort of mitigation measures can be derived.

Mr. Coffey said that the staff proposal was developed in accordance with the rate agreement prior to adoption of the resolution by the Bay Area Water Users Association which endorsed the fact that they are willing to share with San Jose and Santa Clara. He said that staff would be willing to work with the cities. We don't want to work a hardship on anyone or cut off industry.

President Flynn stated for clarification that there would be no interruptions during the period of negotiation.

Commissioner Staten said that she understood staff would be working with our customers to look at xeriscaping in landscaping and possibly limitations of additional development in local communities which would require more water from us.

Mr. Vasconcellos replied that the plan has a clause that would allow additional water in the suburbs for growth. One of the goals of the plan is to protect jobs. Growth is directly related to jobs. Also, we want to see the suburbs institute xeriscaping in their land use planning, which is low water use plants, drip irrigation, native plants, and drought resistant plants.

President Flynn asked staff to respond to the comments regarding Hetch Hetchy water releases.

Mr. Coffey replied that the reason the Department is in such good shape now is because the Department cut back on power generation in January 1987. Last year there was ample water in the Don Pedro Water Bank to meet the commitments of the Districts. The Water Bank has deteriorated due to no releases last year. The Districts are entitled to the natural flow of the Tuolumne River. Because of the low water year the river never got above its natural flow level. Therefore, they are entitled to all of the water even though we capture it in our reservoirs. When the Water Bank reaches zero we will release water from Cherry thereby generating power. Mr. McDevitt asked that we contact the Districts to ask if we may run a negative bank. He said that he doubted the Districts would be receptive since their supply is also low and they have cut back agriculture use 60%. However, he said that he would ask. He added that power will not be produced by releasing water to which the Districts are not entitled.

Commissioner Toupin asked staff to respond to the comments that 25% reduction is more than what is needed.

Mr. Jensen said that the Suburban Water Users' calculations did not take into consideration the amount of dead storage.

Mr. Norman Rolfe suggested a minimum allocation per household and asked that conservation notices be put in other utility bills so that they reach people who live in apartments.

Mr. Vasconsellos said that there will be a minimum allotment of 63 gallons per day, per living unit. There will be a direct mailing to all customers, businesses and living units in San Francisco.

Mr. Charles Findeisen said that he represents a horticulture group and was happy that staff had partially solved the problem.

Mr. John Farbstein of Belmont said that the plan penalizes people with large yards who conserved last year. He conserved 35% last year and suggested that the base year be 1986.

Ms. Betty Stone, representing San Mateo County Farm Bureau, asked whether the San Francisco Water Department would be inspecting and granting allotments to agricultural businesses. Mr. Vasconsellos replied that the Water Department will be working with the water districts, such as Coastside; it will not be dealing directly with the customers of Coastside except on a random basis. The intent is to verify that conservation measures are being used appropriately.

Mr. Thomas R. Boag, Director of Plant and Computer Services for Siliconix Incorporated in Santa Clara, stated that his company employs 1100 people, is located north of Bayshore, and uses a large amount of purified water in its process. If Hetch Hetchy water were cut off, his company would spend \$200,000 to \$300,000 in one time costs to adapt to the different character of the water. That would not save water. The same amount of money could be put into capital equipment in the production area to save water permanently. If the water were cut off suddenly, without warning, there might be a situation where the company would have to stop production for a short period of time which would be very costly.

Mr. Jim Borneman said that he represents a group of landscape contractors, architects and professionals throughout the Bay Area who have joined together to help various water districts in conservation efforts. He pointed out that people will not listen until rates go up. He supported increasing rates. He suggested that the Commission encourage the media to publicize current information on plant water requirements.

Mr. Vasconsellos said that the Department is in the process of implementing in this year the computerized network through our service area.

Mr. Hilliard C. Terry said that some consideration should be made for large families.

Mr. George Carpenter, a plumbing engineer, pointed out that the family who has conserved over the years will have a problem, whereas the family who has been wasteful will not.

Mr. Walter O'Donnell spoke about printing brochures in various languages.

Ms. Marian O'Donnell said that it is not fair to penalize people who saved water last year. She suggested that the allocations be on a gallons per household basis.

Mr. Bill Wisen, representing the City of Sunnyvale, stated that their contract contains a maximum amount. Their allotment is a 25% reduction. He requested that Sunnyvale be allowed to exceed the monthly maximums during the summer as long as they achieve the maximum annual contract amount.

The public hearing was closed.

Commissioner Buell said that the resolution should be amended to say that it is not the intent of the Commission to interrupt service to San Jose and Santa Clara and for staff to bring the matter back if in time it does become necessary to authorize interruption.

President Flynn asked counsel if it would be a violation of the settlement agreement not to include language regarding interruption.

Mr. Thomas Berliner, Deputy City Attorney, replied that we do have a duty to consider the interruptions. However, if we have the agreement of all the other parties to the agreement then we could do as everyone agrees.

President Flynn asked counsel to draft language which would include the desires of the Commission and not violate the settlement agreement.

Ms. Patty Lou said that she is a landlord and requested information for her tenants. President Flynn directed her to the Water Department during regular business hours. Ms. Lou said that landlords should be able to pass on penalty charges to their tenants. President Flynn said that that is under the jurisdiction of the Rent Control Board.

Commissioner Toupin moved the resolution as amended. Commissioner Stated seconded. Resolution No. 88-0155 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 5:45 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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5/88
MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

May 10, 1988

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MAY 13 1988

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COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Charna E. Staten

Mark W. Buell

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Charna E. Staten, Commissioner Jeffrey Lee

Excused: Commissioner Mark W. Buell

On motion of Toupin, seconded by Lee, the Minutes of the regular meeting of April 26, 1988 and special meeting of April 28, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0156 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$169,500.00.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0157 WD Approving collections for the months of January, February and March, 1988, of charges for damages which the San Francisco Water Department has against miscellaneous debtors in the amount of \$25,699.52.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0158 BLHP Approving collections for the months of January, February and March, 1988, of charges for damages which the Bureau of Light, Heat and Power has against miscellaneous debtors in the amount of \$2,998.32, and write-off debts in the amount of \$5,546.22.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0159 WD Requesting the Controller to draw a warrant in favor of Chuck Y. Gong and Michael C. Gong, in the amount of \$50,000, in full settlement of property damage claim against the San Francisco Water Department, arising from a twelve-inch water main break on Stockton Street near Broadway Street on August 26, 1987.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0160 WD Requesting the Controller to draw a warrant in favor of Bruce Woolam, in the amount of \$20,000, in full settlement of personal injury claim against the San Francisco Water Department, arising from an accident at 430 Brannan Street on November 27, 1986.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0161 WD Awarding San Francisco Water Department Contract No. WD-1991, 8-Inch and 12-Inch Ductile Iron Main Installation in Clay Street between Kearny and Drumm Streets, in the amount of \$349,900, to Interlane Engineering and P&J Utility Co., AJV, Contractor.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0162 WD Awarding San Francisco Water Department Contract No. WD-2005, Suburban Division Road Paving, in the amount of \$176,189.10, to C. F. Archibald Paving, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

- 88-0163 WD Awarding San Francisco Water Department Contract No. WD-2002, 8-Inch Ductile Iron Main Installation in Marin Street from Bayshore Boulevard to Kansas Street and Barneveld Avenue from Rickard to Silver Avenues, in the net amount of \$58,231.00, to Uniacke Construction, Inc. and Vickers Concrete Sawing, A Joint Venture.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0164 HH Accepting the work performed under Hetch Hetchy Contract No. HH-777, Transit Power Substations - Painting and Roofing Work, as satisfactorily completed; approving Credit Modification No. 2 in the amount of \$7,881.38; authorizing an extension of time for unavoidable delays of 23 calendar days; and authorizing final payment in the amount of \$4,538.29 to The Phoenix Paint Company, Contractor.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0165 MR Approving Debit Modification in the amount of \$23,976.00 to provide funds for additional work as set forth in Contract Modification No. 1 to Municipal Railway Contract No. MR-989(I), Kirkland Division Replace/Rehabilitate Cyclone Vacuum System; and authorizing an extension of time of 70 calendar days to complete the work.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Staten, seconded by Toupin, the following resolution was adopted:

88-0166 HH Rejecting all bids received on April 12, 1988 for Hetch Hetchy Contract No. HH-794 - San Joaquin Pipeline, Raise Valve Boxes and Repair Exterior Coating.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0167 HH Authorizing the Real Estate Department to negotiate and execute a lease with the State of California for the use of Hetch Hetchy Parcels 1012 and 1013 in San Joaquin County, as campground and day-use facilities.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0168 E Accepting the work performed under San Francisco Water Department Contract No. WD-1964, Bay Division Pipelines No. 1 and 2 - Replacement of Vault Covers, as satisfactorily completed; approving Credit Modification No. 1 in the amount of \$2,903.80; waiving the contract requirement for forfeiture of separate penalty by Contractor to City; authorizing

payment of \$4,796.98 to the State Labor Commissioner pursuant to the Amended Notice to Withhold dated January 13, 1988; and authorizing final payment in the amount of \$9,671.34 to United Engineering Technology, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Staten, Lee

On motion of Toupin, seconded by Staten, the following resolution was adopted:

88-0169 FM Requesting the Mayor to recommend to the Board of Supervisors a Supplemental Appropriation in the amount of \$46,000 from Transit Impact Development Fee (TIDF) proceeds to Object 420, Services of City Attorney, to reimburse Howard, Rice, Nemerovski, Canady, Robertson & Falk for costs related to use of TIDF proceeds.

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Budget Reduction

Mr. Dean W. Coffey, General Manager of Public Utilities, reported that the Mayor had released information regarding the upcoming budget cuts, copies of which were furnished to the Commission. He said that staff will be asking the Commission to set the date for a public hearing on Municipal Railway fares and route changes.

Graffiti

Mr. William G. Stead, General Manager, Municipal Railway, reported that on Sunday, May 8, 1988 at approximately 2:00 p.m. a group of vandals entered the Potrero Division yard and vandalized 71 coaches with 3 colors of paint, both inside and outside. In addition 7 windshields were smashed. It will take 600 hours of labor to remove the graffiti and \$2,000 to replace the windows. Funds have been transferred to the Protective Services Division to increase mobile and static guards and dog patrols. He said that one of the vandals was identifiable by his graffiti "tag" as a person who had previously been arrested for writing graffiti on Muni buses.

Commissioner Toupin expressed the opinion that efforts should be made to catch them in the act, arrest them and enforce whatever penalties the law provides.

Commissioner Lee said that it's important to bring this matter to the attention of the Mayor and get his support in order to get the cooperation of the Police Department and the courts.

Commissioner Toupin requested the following information regarding graffiti: What State or City laws are violated as a result of this type of activity? if the individual who performs the act is a minor? what responsibilities do the parents have? what laws are the parents violating, if any? what penalties have provided under the law? how

many people were apprehended in the last year? and, how many criminal or civil cases were brought? President Flynn directed that staff report on this at the next meeting. Mr. Stead said that he had been unable to obtain data from the courts regarding the disposition of cases.

THEREUPON THE MEETING WAS ADJOURNED: 2:55 P.M.

ROMAINE A. BOLDRIDGE
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

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JUN 23 1988

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Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

May 24, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:14 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

On motion of Toupin, seconded by Lee, the Minutes of the regular meeting of May 10, 1988 were approved.

RESOLUTION
NO.

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0170 CC Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts, totaling \$115,603.26, for settlement of claims against the Municipal Railway, in the month of April, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0171 MR Approving compromise settlements in the amount of \$1,240.25 and collections in the amount of \$11,962.20, for payment of damage claims which the Municipal Railway has against miscellaneous debtors, for the month of April, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0172 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2021, Crystal Springs Cottage - Rehabilitation and Repairs.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0173 BLHP Approving the Department of Public Works proposal for relighting the Yerba Buena Area, Underground District 295.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0174 HH Accepting the work performed under Hetch Hetchy Contract No. 667, Warnerville Complex, Construction Quarters, Maintenance Building and Other Operating Facilities, as satisfactorily completed; approving Credit Contract Modification No. 7 in the amount of \$7,289.99 and authorizing final payment in the amount of \$3,052.40 to the Contractor, C. T. Brayton & Sons, Inc.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0175 HH Rejecting all bids received for Hetch Hetchy Contract No. 791, Moccasin-Newark Transmission Line - Paint Towers, and authorizing readvertisement of the contract under Hetch Hetchy Contract No. 791R.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0176 WD Awarding San Francisco Water Department Contract No. WD-2001, 12-Inch Ductile Iron Main Installation in Blanken Avenue between Tunnel Avenue and Executive Park Boulevard in the net amount of \$98,095.00, to Ranger Pipelines, Inc. and A. Ruiz Construction Co. & Associates, Inc., A Joint Venture.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0177 WD Declaring an emergency for a water main break in Central Pump Station and approving the expenditure of \$48,000.00 for repairs.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0178 EC Authorizing the Bureau of Energy Conservation to issue a Final Contract Payment Authorization in the amount of \$5,000.00 to Michael Rhea & Associates for Energy Management Systems and specifications.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0179 WD Authorizing the Water Department to use any surplus funds in fiscal year 1987-88 to fund the Water Conservation Program through June 30, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0180 BLHP Authorizing the General Manager of Public Utilities to enter into an agreement with the Maltese Grill to install and maintain special streetlight fixtures in Annie Street Plaza.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0181 WD Authorizing the General Manager of the Water Department to enter into a memorandum-of-understanding with the Bay Area Water Users Association for \$90,000.00 for a system-wide public information program on the current water shortage emergency and water rationing program.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0182 MR Authorizing the Community Affairs Department of the Municipal Railway to expend \$359,300 in UMTA funds for purchase of equipment for, and renovation of, the Muni Telephone Information Center.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0183 MR Authorizing the Municipal Railway to solicit the support of the Board of Supervisors to place a proposition on the November 1988 ballot which would allow Muni to purchase transit vehicles through the Negotiated Procurement method.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee the following resolution was adopted:

88-0184 MR Requesting the Board of Supervisors approval to contract for the provision of paratransit services for 1988-1989.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0185 MR Authorizing the Municipal Railway to circulate a Request for Proposal to identify a consulting firm to develop Light Rail Vehicle specifications.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0186 MR Authorizing the General Manager of Public Utilities to extend the completion date of the Municipal Railway contract with Carlton Associates for the Maintenance Division Support Shop.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Rodis, seconded by Lee, the following resolution was adopted:

88-0187 FM Designating Tuesday, June 21, 1988 at 5:30 p.m. in Room 1194, State Office Building, 350 McAllister Street, San Francisco as the date, time and place for a public hearing for considering a proposal for revisions to the Municipal Railway fare schedule.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Lee, the following resolution was adopted:

88-0188 FM Authorizing the General Manager of Public Utilities to execute an agreement with the Bay Area Rapid Transit (BART) District for BART to reimburse MUNI for "feeder" trips on MUNI to and from BART stations in San Francisco.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0189 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend up to \$3.4 million of Bridge Toll funds for SFMRIC lease payments and \$36.4 million of regional funds for 1988-89 Municipal Railway operations.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Introduction of New Commissioners

President Flynn introduced Commissioners Sherri Chiesa and Rodel E. Rodis who were sworn-in by the Mayor this morning to replace Charna E. Staten and Mark W. Buell whose terms had expired.

Report of the General Manager

Bomb Incident

Mr. Dean W. Coffey, General Manager of Public Utilities, reported that a bomb had been placed near the fence at Merced Pump Station on Sloat Boulevard. The door was damaged. The Police Department is investigating the incident.

Bay to Breakers Service

Mr. George Newkirk, Director of Labor Relations and Management Development, reported that the Municipal Railway carried 21,663 passengers on Bay to Breakers race service at the new special fare of \$3.00. The cost of the service was \$76,600. The revenue collected \$51,005. This compares to 37,150 passengers, costs of \$78,000, and revenue of \$12,000 for 1987.

Historical Rail Service

Mr. William G. Stead, General Manager, Municipal Railway, said that due to reconstruction of Market Street, historic rail service will not be operated on Market Street this year or next year during the summer. The Historic Rail Society proposed as an alternative operation of service on The Embarcadero to Pier 39. Due to this year's budget situation, staff solicited private funding for the service but was unable to obtain the necessary support.

Mr. Charles Richardson, Chief, Protective Services and Investigations, presented a report on Municipal Railway security and graffiti statistics. He said that during 1987, there were 383 arrests for graffiti. Public Utilities Commission employees made 37 arrests. In 1988, there were 91 arrests, 6 were made by PUC employees.

Commissioner Toupin asked whether fines were imposed. Mr. Richardson replied in the negative. He added that the Probation Department is not keeping statistics on graffiti this year.

Mr. Coffey stated that the firm which has the transit advertising contract has requested to renegotiate the contract due to the amount of graffiti on the vehicles.

Retirement System

Mr. Coffey reported that staff received a letter from the Retirement System indicating that the Municipal Railway may be able to reduce its medical costs through the use of a Consultant.

Mr. Michael Lewis of the Retirement System, stated that the Retirement System wanted to hire a consultant to apply a computer program to test vendors' bills against the Relative Value Schedule (RVS). He said that the City is entitled to adjust the bill to the RVS. This could reduce bills by 15-25 percent. Currently, this is done by hand, but the employees cannot keep up with the volume of work. He said that he expected the savings to be about \$74,000 annually after payment to the computer service.

President Flynn requested that staff submit a recommendation to the Commission.

Thereupon the Meeting was Adjourned to an Executive Session on an Attorney-Client Matter: 3:40 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

SPECIAL MEETING

Room 1194, State Office Building
350 McAllister Street
San Francisco, California

5:30 P.M.

May 24, 1988

DOCUMENTS DEPT.

JUN 10 1988

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 5:35 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

Public Hearing

Resolution No. 88-0190 -- Adopting a revised schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas.

Mr. James D. Cooney, General Manager and Chief Engineer, San Francisco Water Department, listed the following changes to the proposed 1988-89 budget:

Reductions	\$5.0 million - General Fund Transfer
	1.0 million - Cost of Rationing Plan
	3.2 million - Lost Revenue from Sale
	<u>1.2 million - Revenue Shift</u>
	\$10.4 million - Total Reductions
Increases	\$3.0 million - Land Sale
	0.8 million - Wage Freeze
	<u>3.0 million - Float from Capital Project</u>
	\$6.8 million - Total Increases

He proposed a rate increase of 15 percent to raise \$3.6 million to balance the budget.

President Flynn opened the public hearing.

Mr. John Keller, Mayor of the Town of Hillsborough, said that Hillsborough's previous conservation efforts will cause the Town to go into a penalty situation. Mr. Mark Hudak, Assistant City Attorney for Hillsborough, said that he did not believe that the penalty structure had a basis in the contract with the City. He opposed any penalty which would start before the pro rata allocation which is guaranteed under the contract.

President Flynn stated that a letter had been received from Mayor Keller addressing these concerns and that the City Attorney's Office would respond in writing to the legal points regarding the contract.

Mr. Robert Doelloe suggested exploration of the use of sea water as a water resource alternative.

There being no further speakers, the public hearing was closed.

On motion of Commissioner Toupin, seconded by Commissioner Lee, Resolution No. 88-0190 was unanimously adopted.

Public Hearing

Resolution No. 88-0191 -- Adopting a revised schedule W-25 to be charged by the San Francisco Water Department for water service to suburban resale customers.

Ms. Christine Morioka, Rate Administrator, San Francisco Water Department, stated that rates for suburban wholesale customers are normally calculated under the cost of service method. Under that method, the rates for 1988-89 were scheduled to decrease by 4 percent. In April, when the need for a rationing program became evident, the projections changed from a decrease to an increase. Also, instead of a budget coordinated increase, there needed to be an emergency increase.

Under the Settlement Agreement, an emergency increase is calculated on a cash basis, and the suburban increase cannot be greater than the City increase. The City increase is 15 percent, therefore, the Department recommends a 15 percent increase for the suburbs at this time. The full required payment will be collected at a later time. Staff will proceed with a budget coordinated increase later. In addition to the rate increase, a structural change to the schedule is proposed: the service charge will increase; the commodity charge will be changed from a declining rate block to a flat rate; the minimum billing will be eliminated pending further studies; and the demand charge will be waived during the rationing period because it is based upon the prior year's usage.

Mr. Ray McDevitt, Attorney representing the Bay Area Water Users Association, agreed with the elimination of the minimum billing and the demand charge. He said that the Association understood the rationale for changing the commodity charge and had no objections to the structural changes. However, because of the structural changes, it will be difficult to tell whether or not the increase is 15 percent.

Mr. McDevitt said that at the April 28, 1988 meeting on the rationing plan, he had asked that the Commission instruct the staff to take a look at alternative sources of water. He asked the Commission to instruct staff to explore those potential sources of water and to prepare a report which would be available to suburban customers, and that the issue be discussed at a regular Commission meeting. The second item requested was an assurance that water storage and water delivery are the primary operating criteria for the system. He requested that the Commission ask its staff to prepare a report on planned operations of the system in terms of electric generation and release of water from mountain reservoirs.

President Flynn pointed out that an assurance was given at the prior meeting regarding water versus power, and that the requests made tonight were not the same requests made earlier, however, staff will cooperate with the requests.

Mr. Vasconcellos stated that staff is in the process of finalizing a scope of work for a consultant to investigate alternative sources of water and to produce a report.

Mr. Michael Abramson, Director of Water and Wastewater Resources, City of Daly City, endorsed the comments made by Mr. McDevitt on behalf of the Association.

Mr. Robert Doelloe spoke about the costs of desalinization of sea water.

On motion of Commissioner Lee, seconded by Commissioner Chiesa, Resolution No. 88-0191 was unanimously adopted.

Public Hearing

Resolution No. 88-0192 -- Adopting a schedule of penalties for water use in excess of allotment.

Mr. Vasconcellos said that excess use charges will be the primary means of enforcing the water rationing program. All customers will have one billing period to adjust to their allotments which were mailed May 20, 1988. As part of the application of penalties for suburban customers, banking of water will be allowed with a one month carryover with no deficits or borrowing from future months. The rationing plan allows for growth if customers adopt controls on landscape use.

Commissioner Lee expressed concern about assessing penalties based upon the percentage the customer is over their allotment rather than the quantity, or gallons, used over the allotment. He said that such a change would be fairer to those people who conserve water.

Mr. Cooney replied that the rate agreement with the suburbs requires that the department apply the same adjustment to its resale customers as it does to the City customers. In the case of the suburbs or other large users, a few gallons over their allotment does not have the same significance to the user as it would to residential customers. Such a system would require extensive proration schedules.

The public hearing was opened.

Mr. James Hirsch, owner of an apartment house, stated that the program assumes that the penalties will encourage water conservation. In apartment houses, a third party - the landlord, pays the penalty and cannot pass that cost through to the tenants. He suggested that the Commission suspend penalty charges to third party customers until the Board of Supervisors and Rent Stabilization Board allow the charge to be passed through to the tenants.

Mr. John C. Carney, owner of 4-5 properties, expressed concern about small water users who use above their allotment by one unit which is a high percentage of their allotment.

Mr. Vasconcellos replied that the computer will automatically subtract one unit before calculation of penalties.

Mr. Grant Channell, manager of a 22 unit apartment building, said that penalties are the same as a new tax since the amount of water used by tenants cannot be controlled.

Mr. Thomas Frutchey, representing the City of Mountain View, suggested a system of banking with an annual balancing of the account and a refund for any excess penalties paid. He expressed concern about the exception program and wanted details as to how it would work in the areas of economic hardship and growth. As a contractual city, he expressed concern about the usage level at which penalties go into effect.

He said that the major way to achieve the goal should be through cooperation rather than penalties.

Mr. Michael Abramson urged that the department look at an annual program of penalties with full banking and full cooperation if people choose to use more in one month and cutback in succeeding months.

Mr. Leroy Watson asked if consideration would be given for temporary occupants of a home. President Flynn replied that the form circulated with the allotment notice should be completed and submitted to the Water Department.

Commissioner Toupin stated that the arguments made by apartment owners have a conservation tone to them. He moved approval of the resolution with the amendment that the Commission recommend to the Rent Stabilization Board that it consider the conservation potential of permitting the passing on of penalties to the users of the water during this period of rationing. Commissioner Lee seconded the motion and expressed his reservations regarding the schedule based upon percentage over allotment, but the bottom line, he said, is water conservation. Resolution No. 88-0192 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 7:35 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

JUL 1 1988

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

Room 282, City Hall

2:00 P.M.

June 14, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Rodel E. Rodis

Excused: Commissioner Sherri Chiesa

On motion of Toupin, seconded by Lee, the Minutes of the regular meeting of May 24, 1988 and special meeting of May 24, 1988 were approved.

RESOLUTION
NO.

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0193 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$13,349,897 of federal capital assistance and required state and regional local match funds to implement the Market Street Transit Thoroughfare and F-MARKET Streetcar Line.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0194 MR Approving Municipal Railway Revolving Fund Direct Payments in the amount of \$136,419.25 for the month of May, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0195 MR Approving Municipal Railway compromise settlements Month of May 1988, total amount billed: \$3,352.20 total compromise settlement: \$2,946.54 and approving collections Month of May 1988, amount of \$24,519.66 for payment from miscellaneous debtors, per lists dated May 31, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0196 HH Accepting the work performed under Hetch Hetchy Contract No. 786, Replace and Paint Trolley Poles - California Street, Columbus Avenue, Hayes Street and Union Street, as satisfactorily completed; approving Debit Contract Modification No. 2 in the amount of \$2,833.15; and authorizing final payment in the amount of \$13,540.40 to the Contractor, Abbett Electric Corporation.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0197 WD Awarding San Francisco Water Department Contract No. WD-2011, Repaving of Street and Sidewalk Openings for the San Francisco Water Department for the Fiscal Year Ending June 30, 1989 in the amount of \$1,397,450 to Stacy & Witbeck, Inc., West Bay and Nationwide, A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0198 HH Authorizing transfer of funds in the amount of \$172,655 from Repair and Replace Manholes to Market Street Underground Control Centers - Repair and Replace Lighting Equipment; and awarding Hetch Hetchy Contract No. HH-788, Market Street Underground Control Centers - Repair and Replace Lighting Equipment, in the amount of \$391,000 to Kingston Associates, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0199 EC Authorizing the Bureau of Energy Conservation to execute a no-additional cost contract modification to extend the term of the contract with Raymond Brooks Engineering to June 30, 1989.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0200 EC Authorizing the Bureau of Energy Conservation to modify its professional services contract with John Nimmons and Associates with a no-cost time extension to December 31, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

- 88-0201 BLHP Authorizing the Bureau of Light, Heat and Power to execute Amendment No. 1 to the July 1, 1987 agreement with Kingston Contracting, Inc., for Maintenance, Repair and Alterations of City-owned Street Lighting Systems, increasing the limit of payment from \$521,325 to \$1,271,325 through June 30, 1989; and extending the term of the contract for a period of 12 months through June 30, 1989.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

- 88-0202 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1978, 48-Inch Steel Main Installation in Peabody Street, Leland Avenue, Ruthland Street and Tucker Avenue from the South City Limits to Delta Street.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

- 88-0203 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2016, Sunol Valley Water Treatment Plant - Sludge Scraper Replacement.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

- 88-0204 WD Requesting the Controller to transfer funds in the amount of \$12,500 from San Francisco Water Department completed project - Install Flow Meters to Alameda Creek, Diversion Dam Spillway - Concrete Repairs; and awarding San Francisco Water Department Contract No. WD-1999, Alameda Creek, Diversion Dam Spillway - Concrete Repairs, in the amount of \$64,200 to Stacy and Witbeck, Inc., as the lowest responsive bidder, and rejecting all other bids for the work.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0205 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1992R, 8-Inch Ductile Iron Main Installation in Gilman Avenue from Fitch Street to 235 Feet East of Early Street to Mendell Street, as satisfactorily completed; approving Debit Contract Modification No. 1 in the amount of \$1,026.44; and authorizing final payment in the amount of \$7,329.77 to the Contractor, Clarke Construction Co.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0206 GM Expressing sincere appreciation to Charna E. Staten for her many contributions as a Member of the Public Utilities Commission and for her dedicated service to the people of the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0207 GM Expressing sincere appreciation to Mark W. Buell for his many contributions as a Member of the Public Utilities Commission and for his dedicated service to the people of the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0208 GM Requesting the Board of Supervisors' approval to contract with a security firm for the provision of security personnel for the period of July 1, 1988 to June 30, 1989.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0209 GM Endorsing the concept of a transit shelter advertising program and public art enhancement program on Market Street; and authorizing staff to explore this program proposal with the City Planning Department, City Planning Commission, Art Commission, and Gannett Outdoor Company, Inc.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0210 GM Adopting a policy against the use of slurs by City officials and employees.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0211 WD Approving application of the methodology contained in the approved rationing plan of reducing inside water use by 10% and outside water use by 60% to determine water allocations for San Jose and Santa Clara.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0212 MR Authorizing the Municipal Railway General Manager to expend a total of \$49,590 for the Railway's 1988-1989 Employee Awards Program.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0213 MR Accepting two display cases as a gift from the Market Street Railway Company, for the display of historical transit-related items in furtherance of a better understanding of public transit in San Francisco.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0214 MR Authorizing the General Manager of Public Utilities to expend \$180,000 for administration of the Transit Shelter Program in fiscal year 1988-89.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0215 CC Granting a moratorium on grazing leases for at least six months commencing from May 1, 1988 through October 31, 1988; suspending collection of rent during the moratorium; and authorizing the General Manager of Public Utilities to execute two (2) year extensions of those leases subject to the moratorium.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0216 E Requesting the Controller to transfer funds in the amount of \$50,934 from completed project - Calaveras Outlet Tower to Lower Crystal Springs Reservoir - Tower and Tunnel Rehabilitation; and awarding San Francisco Water Department Contract No. WD-1983, Lower Crystal Springs Reservoir - Tower and Tunnel Rehabilitation, in the amount of \$164,369 to Valentine Corporation, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0217 PT Honoring and commending Blossom Grove for 17 years of dedicated service to the people of the City of San Francisco; extending its best wishes to Blossom Grove and her family for good health and happiness in the future.

VOTE: Ayes - Flynn, Toupin Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0218 FM Recommending that the City General Fund be reimbursed in the amount of \$5,289,319 from collected Transit Impact Development Fees for qualified expenses related to the expansion of MUNI Railway service in the downtown area at peak service hours, and related legal and administrative costs incurred from FY 81/82 through FY 87/88.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0219 MIS Authorizing the General Manager of Public Utilities to enter into a contractual services agreement modification with Cahill and Associates for a period not to exceed one year and \$100,000, to provide computer programming services to convert the PUC's accounting system and to modify the Water Billing System.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

New Business

President Flynn requested information on the recent derailments reported in the press. Mr. William G. Stead, General Manager, Municipal Railway, replied that there is a continuing problem with derailments due to the middle truck on the light rail vehicle (LRV) being lighter in weight than the two end trucks. The middle truck which is not motorized, tends to derail at some of the older switches. There are several programs to upgrade the switches. Operating instructions are in place limiting speed over the switches. If the rules are violated, appropriate action is taken.

Report of the General Manager

Graffiti

Mr. Dean W. Coffey, General Manager of Public Utilities, stated that the increase in graffiti and crime on Municipal Railway buses and LRVs is getting to the point where we will have to address it by some type of uniformed officer on the vehicle. Staff is working with the Police Department and the PUC's Protective Service to develop a plan to present to the Commission.

Water Rates

Mr. Coffey reported that the Board of Supervisors approved the water rates and penalties package. He said that staff agreed to draft a "sunset" clause and present it to the Commission to require review of the rate at the end of the drought or by May 31, 1989.

Public Hearing -- Resolution No. 88-0193 -- Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$13,349,897 of federal capital assistance and required state and regional local match funds to implement the Market Street Transit Thoroughfare and F-MARKET Streetcar Line.

Mr. Edward Harrington, Acting Assistant General Manager, Finance, stated that this grant is part of a package of funds that will create a new Market Street and F-Market line from Castro Street to The Embarcadero. The funding and the work will happen in stages. This grant will allow the City to finish construction on the portion from Fremont to Third Street and from Eight Street to Twelfth Street.

It will also allow for engineering work for the portion from Fremont to The Embarcadero and from Twelfth Street to Castro, and for the start of rehabilitation work on the presidential (PCC) cars needed to make these runs.

President Flynn opened the meeting for public comments. There being none, the public hearing was closed.

On motion of Commissioner Toupin, seconded by Commissioner Lee, Resolution No. 88-0193 was adopted.

Resolution No. 88-0209 -- Endorsing the concept of a transit shelter advertising program and public art enhancement program on Market Street.

Mr. Douglas Wright, Director of Planning and Development, PUC, stated that the Market Street Thoroughfare Project set aside \$350,000 for a public art program on Market Street. The Transit Shelter Program requires Gannett Outdoor, the contractor, to erect approximately 30 shelters on Market Street. Under the current planning code, advertising would not be allowed. It is proposed that the Art Commission develop a public art program for Market Street in conjunction with the Beautification Plan using Gannett Outdoor and foundation monies. The proposal calls for modifying the Gannett Outdoor contract to provide funds for continued maintenance of the art. The action before the Commission today would endorse the proposal and direct staff to initiate the program with the agencies involved.

Commissioner Toupin said that the issue of graffiti should be faced before the program begins. Consideration should be given to such things as the choice of art, and placement so that it would be out of reach. He moved approval of the resolution with the caveat that the issue of graffiti be addressed. Commissioner Rodis seconded.

Mr. Bernard Averbuch, Executive Director of the Market Street Development Association, spoke in support of the project. He said that the Association has set a goal of raising \$1 million for art on Market Street and is also involved in helping to clean graffiti on art work already in place. Ms. Carolyn Diamond, also representing the Association, spoke in favor of modifying the Planning Code to allow advertising on Market Street.

Ms. Claire Isaacs, Director of the Art Commission, spoke in favor of the project.

Mr. Julius Zamacona opposed shelters in the Excelsior District and said that they were full of graffiti and many had broken seats.

President Flynn directed the Municipal Railway to investigate the allegations and to report to the Commission at the next meeting.

On the question, the resolution was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED TO EXECUTIVE SESSION: 3:20 P.M.

ROMAINE A. BOLDRIDGE
Secretary

JUL 18 1988

SAN FRANCISCO
PUBLIC LIBRARY

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

SPECIAL MEETING

Room 1194, State Office Building
350 McAllister Street

5:30 P.M.

June 21, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

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Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 5:40 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Commissioner Toupin, seconded by Commissioner Rodis, the following resolution was adopted:

88-0220 MR Modifying the Schedule of Rates, Fares and Charges of the San Francisco Municipal Railway.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodel

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Public Hearing

To consider modification of the Schedule of Rates, Fares and Charges of the San Francisco Municipal Railway.

Mr. Edward Harrington, Acting Assistant General Manager, Finance, PUC, described the fare increase proposal in detail. A copy of the proposal is on file with these minutes. He said that the Mayor's recommended budget is \$231.8 million, a reduction of \$6.2 million from last year. At the same time, general fund support will be reduced \$11.5 million. The reduction will be balanced by a \$7.5 million fare increase and a \$4 million reduction in service. To reduce costs, the Municipal Railway will cut positions throughout the organization. Middle and senior management will be cut an average of 10 percent, while support and production staff will be cut 5 percent. Service reductions will be considered by the Commission at a separate meeting.

The proposed fares are as follows:

	<u>Current</u>	<u>Proposed</u>
Adult single ride	75¢	85¢
Adult Fast Pass	\$25.00/mo.	\$28.00/mo.
Senior/handicapped single ride	15¢	25¢
Senior/handicapped Fast Pass	\$ 4.50/mo.	\$ 6.00/mo.
Youth single ride	25¢	25¢
Youth Fast Pass	\$ 5.00/mo.	\$ 6.00/mo.

Cable Car adult	\$ 1.50	\$ 2.00
Cable Car senior/handicapped	15¢	25¢
Cable Car youth	75¢	\$ 1.00
Cable Car Day Pass	\$ 5.00	\$ 6.00
Three Day Pass	none	\$10.00
Special Events (round trip)		
Adult	\$ 3.00	\$ 4.00
Adult Fast Pass plus	\$ 1.00	\$ 2.00
Youth, Senior, Handicapped	\$ 2.00	\$ 3.00
Youth Fast Pass plus	\$ 1.00	\$ 2.00

President Flynn opened the public hearing.

Mr. Winton Jones opposed the senior increase.

Ms. JoAnne Hahn suggested a limited income Fast Pass.

Mr. Norman Rolfe, representing San Francisco Tomorrow, suggested no increases until parking rates are increased and there are more restrictions on automobiles.

Mr. Kenneth Farmer questioned basing an increase in fares on national fare averages.

Mr. Arnold Galleyos suggested that commuters be increased before residents are increased.

Ms. G. C. Smith opposed any fare increase.

Mr. Keith Halperin questioned the expected drop in ridership of 3-4 percent as being low.

Ms. Margaret Olesen suggested a use fee for out-of-town cars and an increase in downtown taxes.

Ms. Jane Cutter, a member of All Peoples Congress, Committee Against Budget Cuts, suggested taxing businesses.

Mr. Richard Becker, a member of All People Congress, Committee Against Budget Cuts, said that corporations are paying nothing, the public is subsidizing the 67 percent of costs not covered by the fare.

Mr. Bruce Baginski, from the Committee Against Budget Cuts, spoke against increases.

Ms. Graciela Estrada spoke against the 85¢ fare and the current transfer system.

Mr. Gerald Kucmenenko said that fares should be decreased.

Mr. Walter O'Donnell, representing South of Market District Council, said that the percentage increase is out of proportion for different types of riders.

Mr. Phillip Seronick spoke in behalf of low income people, senior and handicapped riders. He suggested raising the fines for cars parked in the bus stop zone.

Mr. Andrew Nash, representing San Francisco Tomorrow, Transportation Committee, suggested investigating new stable funding sources for transit.

Mr. C. Thompson complained about current service, especially late night service, and said that an increase would mean paying more for less. He suggested increasing fines for parking in bus zones to \$50 or \$100 and posting the amount of the fine at each bus stop.

Mr. S. Levin said that it is not equitable to have both service cuts and fare increases.

Ms. Anne Fibush suggested a one-year Fast Pass and that the Muni use the advance revenue as an investment which would earn interest.

Ms. Maria Pinto spoke in behalf of others who cannot pay more.

Mr. Jim Barton suggested pursuing a gas tax and improving service to get people out of their cars and onto transit.

Ms. Erma Brim spoke in behalf of handicapped children and adults and suggested increasing the pass to \$4.75 or \$5.00 rather than the \$6.00 proposed.

Mr. David Pilpel suggested keeping fares at their current level if more money becomes available through the tax increases being proposed by the Mayor. Also, he said that revenue from traffic citations issued by Municipal Railway employees should be returned to Muni.

Mr. Clay pointed out that the highest percentage increases are for disabled, seniors and children. He suggested a free fare for seniors.

Mr. Paul Greenberg, of the Committee Against Budget Cuts, said that there were few notices on buses regarding this hearing. He said that people should organize to stop the fare increase and make the corporations pay.

Mr. Ray Druian opposed the idea of different fares for residents and non-residents.

Ms. Kimke Bermudez spoke in support of people on fixed incomes and children.

Mr. Brian Brackney suggested increasing cable car and ball park fares and a five-day grace period on all Fast Passes. Also, he suggested a \$1.00 fare with a \$30.00 Fast Pass and no increase for disabled people.

Mr. Ron Holladay of All Peoples Congress, said that transit should be free.

Mr. C. Thompson suggested using the money from the remodeling of Market Street to balance the budget.

Mr. Herbert Weiner said that since other City services are no longer scheduled to be cut, maybe Muni does not need to cut service and increase fares. He suggested a fundraiser to raise money or selling municipal bonds.

Ms. JoAnne Hahn suggested advertising six weeks in advance of meetings to raise fares.

Other speakers suggested that inspectors issue tickets at night for parking in bus zones in areas like Union Street and that signs noticing meetings be better displayed on buses.

The public hearing was closed.

Commissioner Rodis requested that staff look into the concept of providing a limited income pass.

President Flynn suggested raising the ball park fare so that seniors, handicapped and youths are not subsidizing that service. He supported holding the youth fare at its present level and offsetting the anticipated additional revenue by raising the ballpark fare.

Commissioner Chiesa suggested freezing the senior and handicapped fares and raising the cable car fare to \$2.50.

President Flynn pointed out that a \$2.50 cable car fare would be sufficient to cover maintaining the student fare as well.

Commissioner Toupin suggested recommending that the Board of Supervisors increase the penalty for parking in bus zones and post the cost on bus stop corners.

Commissioner Lee suggested that bus zones be designated as tow away zones.

Mr. Krueger, Utilities General Counsel, said that his office would prepare the necessary legislation.

Commissioner Toupin moved to approve the proposed increase with the following exceptions: remove increases for seniors, handicapped and youth fares, increase the cable car fare to \$2.50 and authorize staff to adjust other factors as necessary. Resolution No. 88-0220, as modified, was unanimously adopted.

THEREUPON THE MEETING WITH ADJOURNED: 8:40 P.M.

ROMAINE A. BOLDRIDGE
Secretary

MINUTES

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PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

JUL 18 1988

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Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

June 28, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:15 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

On motion of Lee, seconded by Rodis, the Minutes of the regular meeting of June 14, 1988 were approved.

RESOLUTION
NO.

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0221 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1985, Crystal Springs and San Andreas Reservoirs, Tower and Tunnel Lighting.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0222 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-1994, 8-Inch Ductile Iron Main Installation in Bush Street between Octavia Street and Mason Street.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0223 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-1003, Presidio Facility - Roof Repair.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0224 WD Awarding San Francisco Water Department Contract No. WD-1993, 8-Inch Ductile Iron Main Installation in Fulton Street between Fillmore Street and Franklin Street, in the net amount of \$242,251, to Uniacke Construction, Inc. and Vickers Concrete Sawing, A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0225 MR Awarding Municipal Railway Contract No. MR-990, Cable Car System - Crowd Control at Terminals, in the amount of \$62,369, to Valentine Corporation, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0226 BLHP Approving the San Francisco Redevelopment Agency's proposal for street lighting construction in the Rincon Point - South Beach Area.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0227 BLHP Approving the San Francisco Redevelopment Agency's proposal for street lighting construction in the Morgan Heights Condominium Development - Hunters Point Area.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0228 FM Approving the purchase of one new band printer and one reconditioned laser printer, and requesting the Controller to approve the transfer of funds for these purchases.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0229 WD Authorizing the Director of Property to proceed with necessary legislation for enactment by the Board of Supervisors to grant the exchange of lands between the City of Colma and the San Francisco Water Department.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0230 WD Designating Tuesday, July 26, 1988 at 2:00 p.m., in Room 282, City Hall, San Francisco as the date, time and place for a public hearing for considering the addition of a sunset clause to the rate increases adopted on May 24, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

883-0231 HH Approving participation with the California Urban Water Agencies in the publication of a paper describing our various responses to the current drought.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0232 FM Reaffirming the Municipal Railway policy of non-acceptance of paper currency in Muni fareboxes and Metro Station faregates; and authorizing staff to develop a plan for use of transit tokens and other alternatives to cash fares, for presentation to the Public Utilities Commission.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Rodis, seconded by Lee, the following resolution was adopted in Executive Session:

88-0233 CC Settling the litigation entitled Adams v. City, Superior Court No. 795-604, and Guler v. City, Superior Court No. 870-913.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Resolution No. 88-0232 -- Reaffirming the Municipal Railway policy of non-acceptance of paper currency in Muni fareboxes and Metro Station faregates; and authorizing staff to develop a plan for use of transit tokens and other alternatives to cash fares.

Mr. Edward Harrington, Acting Assistant General Manager, Finance, stated that staff is looking at a farebox system which will accept paper money. The system will cost approximately \$6 million. Also,

staff is looking at the use of tokens which would allow for continued payment in coin and for implementation of a discount for rides between the single ride and the Fast Pass.

Commissioner Toupin expressed the opinion that the public should be able to use paper currency if they choose. An inexpensive box is all that is needed. Mr. William Stead, General Manager, Municipal Railway, replied that staff would analyze the cost of collecting paper money and report to the Commission.

Mr. Robert Pender suggested that the public be allowed to comment on these proposals.

On motion of Commissioner Toupin, seconded by Commissioner Lee, Resolution No. 88-0232 was unanimously adopted.

At 2:45 P.M. the meeting was recessed to an executive session on an attorney-client matter.

At 3:00 P.M. the meeting was reconvened.

Special Order of Business - 3:00 P.M.

Item No. 13 -- To consider authorizing the Municipal Railway to reduce service, discontinue and change routes as necessary.

President Flynn announced that the Commission would receive public comments today and would take the matter under submission for decision at a special meeting Tuesday, July 5, 1988, at 3:00 P.M., in Room 282, City Hall.

Mr. Stead described the service cuts as necessary to balance the budget. The proposal will cut one of every 25 service hours, one of every 22 operators, one of 20 maintenance persons, one of every 12 first line supervisors and one of every 10 managers.

At 3:15 P.M. the meeting was recessed for the purpose of relocating to the Chambers of the Board of Supervisors due to the large number of people in attendance.

At 3:35 P.M. the meeting was reconvened.

Mr. Peter Straus, Director of Planning, Municipal Railway, used route maps to describe each route proposed for change.

President Flynn opened the meeting for public comments.

The following persons spoke in opposition to the proposal:

Mr. Robert Pender, Vice President Park Merced Residents Organization	
Mrs. Alvirda Boone	435 - 27th Avenue
Ms. Marian Swartzburg	675 - 37th Avenue
M. Wanerman	751 - 36th Avenue
Ms. Frances Zander	4210 Balboa Street
Ms. Kinike Bermudez	467 - 34th Avenue
Mr. Walter O'Donnell	1018 Mission Street
Mr. Archie Brown	Communist Party of San Francisco
Mr. Norman Rolfe	San Francisco Tomorrow
Damitz Mehular	310 Arballo Drive
Ms. Elaine McFate	187 Melrose Avenue
Ms. Jackie Sachs	1570 Sutter Street
M. H. Stevens	Mercy Terrace
Mr. Robert Monaco	419 Font Boulevard

Mr. Arnold Martin	775 Post Street
Mr. Bruce Baginski	600 - 24th Avenue
Ms. Jane Cutter	Committee Against Budget Cuts
Mr. Ted Dawn	1947 McAllister Street
Mrs. Arthur Konrad	2114 Wawona Street
Mr. Charles Brown	625 Sawyer Street
Ms. A. M. Schreiber	329 - 6th Avenue
Mr. Richard Marshall	150 Franklin Street
Ms. Isabel Neves	Mission Terrace Improvement Club
Ms. Dorothy McMillan	1885 Pine Street
Ms. Marjorie Pierson	428B Union Street
Ms. Nancy Katz	Telegraph Hill Dwellers
Mr. Michael Rouz	State Public Utilities Commission
Ms. Mary Erckenbrack	Telegraph Hill Dwellers
Ms. Gail Moeller	2976 - 26th Street
Ms. Joyce Hall	Visitation Valley Improvement Assn.
Ms. Marian Morrissey	1477 Chestnut Street
Mr. Julius Zamacoma	63 San Juan Avenue
Mr. Richard Becker	All Peoples Congress
Mr. Philip Hoffman	2560 Polk Street
Mr. Ken Farmer	
Ms. Margaret Olesen	1340 Florida Street
Mr. David Spero	North Mission Association
Ms. Sue Ellen Schepcke	2127 Fillmore Street
Ms. Gail Induik	99 Coleridge Street
Mr. Robert Schmid	3080 Jackson Street
Mr. Edward Baker	Sunset West Portal Council
Ms. Eleanor Leffers	2770 Lombard Street
Ms. J. Clydia Wong	Sunset West Portal Council
Ms. Bertha Jenkinson	504 Valencia Street
Mr. Jerry Grace	Emeryville, Ca.
Mr. David Pilpel	383 Crestlake Drive
Ms. Johanna Chandler	2645 Van Ness Avenue
Mr. Herbert Weiner	1210 - 8th Avenue
Ms. Gloria La Riva	Workers World Party

After the Commission received further comments from individuals who had not signed speakers cards the President closed the public comment period.

Commissioner Rodis requested the following information before the next meeting: 1) cost savings for each route; 2) the amount of the savings from the \$2.50 cable car fare not offset by retaining current discount fares; and 3) the amount spent on graffiti and the effect of using that money to reduce service cuts.

President Flynn continued this matter to Tuesday, July 5, 1988, at 3:00 P.M., in Room 282 City Hall.

THEREUPON THE MEETING WAS ADJOURNED: 6:20 P.M.

ROMAINE A. BOLDRIDGE
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

SPECIAL MEETING

Room 282, City Hall

3:00 P.M.

July 5, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

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Call to Order: 3:10 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

Excused: Commissioner Jeffrey Lee

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

Item No. 3 -- To consider authorizing the Municipal Railway to reduce service, discontinue and change routes as necessary; and requesting the Board of Supervisors not to disapprove the changes. (Continued from the meeting of June 28, 1988.)

Commissioner Chiesa stated that she received a copy of a letter to the General Manager from the Transport Workers Union, Local 250A, alleging that the union had not had a chance to meet and confer on the matter of service reductions as provided for in the Memorandum of Understanding (MOU).

Commissioner Chiesa moved to defer action on this matter until the terms of the MOU had been carried out.

President Flynn asked staff to respond. Mr. William G. Stead, General Manager, Municipal Railway, stated that on March 29, 1988 management met with the union and provided them with all of the material on the five levels of service cuts under consideration. Comments were solicited from the union. This was the same package that went to the Commission and to the Mayor. A second meeting was held April 26, 1988 and the material was discussed in detail. On June 27, 1988 a letter was received from the union stating that they received the package after the five public meetings. The union received the package at the same time the Commissioners received theirs. Mr. Stead said that on the afternoon of July 1, 1988, he received a letter from the union stating that they had received their package that morning. He pointed out that this was the same time the package was sent to the Commission. He said that throughout the process management kept the union informed as changes occurred. Management did not receive a response from the union.

Mr. Bobbie Brown, President, Transport Workers Union, Local 250A, said that the union did meet with management on March 29, 1988. However, the General Manager said that at that time he did not know what the Mayor would do with the proposals and that nothing was final. The union was waiting to find out what the whole package would be so that they would have something to talk about. Mr. Brown said that the union never received a letter soliciting their response to the service cuts.

President Flynn seconded the motion not to hear the item now. On the question to continue the item, the vote was unanimous.

President Flynn directed staff to meet with the union prior to July 7, 1988 at 8:00 A.M.

THEREUPON THE MEETING WAS RECESSED UNTIL 8:00 A.M., July 7, 1988:
3:36 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

RECESSED MEETING

Room 282, City Hall

8:00 A.M.

July 7, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Reconvened: 8:10 A.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

Excused: Commissioner Jeffrey Lee

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Chiesa, the following resolution was adopted:

88-0234 MR Authorizing the Municipal Railway to reduce service, discontinue and change routes as necessary; and requesting the Board of Supervisors not to disapprove the change.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Resolution No. 88-0234 -- Authorizing the Municipal Railway to reduce service, discontinue and change routes as necessary; and requesting the Board of Supervisors not to disapprove the changes. (Continued from meetings of July 5, 1988 and June 28, 1988.)

Mr. George Newkirk, Director of Labor Relations, Municipal Railway, reported that staff met and conferred with the union as directed. A copy of the memorandum summarizing the meeting is on file with these minutes.

President Flynn pointed out that many of the issues raised during the meet and confer session with the union are not matters which are presently before the Commission.

Mr. Lawrence Martin, International Representative, Transport Workers Union, replied that under the provisions of the MOU the union may present alternatives to management's proposals. He spoke in favor of laying off part-time, temporary and non-civil service personnel before full-time permanent personnel. He suggested using the \$5 million which was refunded to the general fund from the Transit Impact Development Fee to cover the budget shortfall in place of service reductions.

With respect to the riders of the 17 EXPRESS Line who did not want feeder service to Balboa Park BART station instead of Daly City BART station, Commissioner Rodis suggested that staff look into allowing use of the Fast Pass from the Daly City BART station. Mr. Peter Straus, Director of Planning, Municipal Railway, replied that Daly City is the most heavily used BART station outside of downtown.

If the Fast Pass were available it would be used by San Mateo residents more than by San Francisco residents. San Mateo County is not part of the BART district. He pointed out that access to trains at Balboa Park is easier than at Daly City.

President Flynn asked staff to look at a sunset clause for Municipal Railway fares.

Commissioner Rodis inquired as to whether the action by the Finance Committee of the Board of Supervisors to reduce the cable car fare by 50 cents caused a budget shortfall in addition to using \$700,000 which was anticipated in the fare package, but uncommitted. Mr. Edward Harrington, Acting Assistant General Manager, Finance, replied that the Finance Committee added \$300,000 from the general fund to cover the shortfall. He said that there are no excess funds available from the fare package.

On motion of Commissioner Toupin, seconded by Commissioner Chiesa, Resolution No. 88-0234 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 9:05 A.M.

ROMAINE A. BOLDRIDGE
Secretary

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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

July 12, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

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Call to Order: 2:08 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

Excused: Commissioner Jeffrey Lee

On motion of Toupin, seconded by Chiesa, the Minutes of the Special Meeting of June 21 were approved; and on motion of Toupin, seconded by Rodis, the Minutes of the regular meeting of June 28, 1988 were approved.

RESOLUTION
NO.

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0235 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$412,500.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0236 MR Approving compromise settlements in the amount of \$2,859.04 and collections in the amount of \$17,742.47, for payment of damage claims which the Municipal Railway has against miscellaneous debtors for the month of June, 1988.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0237 MR Awarding San Francisco Municipal Railway Contract No. MR-877, Handicapped Loading Platforms, Junipero Serra Boulevard and Ocean Avenue, Balboa Park Station near Geneva Avenue, in the amount of \$127,769 to Valentine Corporation, Contractor.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0238 MR Approving Contract Modification No. 2, increasing Municipal Railway Contract No. MR-862, Geneva Car barn Improvements, by an amount of \$12,985.88, and increasing the contract completion time allowance by 60 calendar days from the date of the notice of certification, Erbenraut & Summers, Contractor.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0239 HH Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-769, Hetch Hetchy Fire Protection System, as satisfactorily completed; and authorizing final payment in the amount of \$19,250.17 to American Fire Systems, Contractor.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0240 BLHP Recommending Board of Supervisors' approval of the Mayor's Supplemental Budget request restoring the position of one 5350 Electrical Engineering Assistant I to the Bureau of Light, Heat and Power budget.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0241 HH Authorizing the General Manager of Public Utilities to execute a contract with Robert A. Funk, Civil Engineer, in an amount not to exceed \$3,875, to provide 40 hours of training for up to 14 Hetch Hetchy employees, to prepare them for the California Water Treatment Plant Operator, Grade I examination.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Flynn, the following resolution was adopted:

88-0242 GM Approving the MUNI Metro Extension financing contract with the BART District, for the proposed extension linking the MUNI Metro subway to the China Basin area, and authorizing the General Manager of Public Utilities to take the steps necessary to execute the contract.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Chiesa, the following resolution was adopted:

88-0243 MR Granting authority to the General Manager of the Municipal Railway to execute standard City Purchasing Department forms P-345, Equipment Inventory Credit Request, in order to declare surplus and retire for sale 135 motor coaches.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

88-0244 WD By Common Consent the following resolution was adopted:

Commending Edward L. Fonseca on the occasion of his retirement, for his 38 years service to the Water Department and the City and County of San Francisco.

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0245 E Authorizing Bid Call for San Francisco Water Department Contract No. WD-2000, San Andreas Water Treatment Plant Expansion.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

88-0246 E Authorizing the Manager of the Utilities Engineering Bureau to negotiate and execute a professional services contract with Woodward-Clyde Consultants, for an amount not to exceed \$60,000, for a seismic study of the Stanford Heights Reservoir.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Toupin, the following resolution was adopted:

88-0247 FM Requesting the Controller to approve a transfer of surplus funds from the UMTA Bus Purchase Project (CA 03-0264): \$65,000 to Fixed Charges (Object 140) and \$200,000 to Other Contractual Services (Object 109).

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Chiesa, the following resolution was adopted:

88-0248 FM Authorizing the Acting Assistant General Manager, Finance to execute a Professional Services Contract with Smith Dawson Associates, Inc., for a period of one year to June 30, 1989 and for a total cost of \$33,000, to serve as the PUC's federal agency liaison, advocate and advisor.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Water Issues

Mr. Dean W. Coffey, General Manager of Public Utilities, requested two commissioners to work with staff on water issues. Commissioners Toupin and Chiesa volunteered.

Transit Shelters

Mr. Lou Lillian, Vice President and General Manager of Gannett Outdoor, stated that as of Friday there would be 300 shelters in place. Maintenance crews had been increased to 7 -- 3 daytime crews and 4 nighttime crews. He said that the Mission area had been a problem area for graffiti. He reported that he had met with leaders of graffiti clubs and would be trying to underwrite a program for them, using billboards as an alternative for their graffiti. Also, he said that he had talked to the Conservation Corps and Delancey Street about backup crews for maintenance. Gannett Outdoor spent \$5,600 last month in extra cleanings at \$50 per call. He said that maintenance is a top priority of the company because of the negative effect of dirty shelters on advertisers.

President Flynn commended Mr. Lillian for his efforts to keep the shelters clean.

Mr. Julius Zamacoma suggested billing the parents for graffiti cleanup caused by their children.

Resolution No. 88-0242 -- Approving the Muni Metro Extension financing contract with the BART District.

President Flynn requested a report from the Finance Bureau regarding the impact on the budget of BART reimbursing the City for its project costs.

Item No. 10 --Regarding the proposal not to include the purchase and operation of vans in the current fleet plan.

Mr. Bruce Bernhard, Director of Strategic Planning, Municipal Railway, recommended that vans not be included in the fleet plan, except for the 89-LAGUNA HONDA shuttle. He cited only two routes on which peak period ridership could be accommodated by vans. If other routes were to use vans during midday and evenings the drivers would need to change to a larger vehicle for peak periods. This would be an added cost item. Also, the non-revenue repair shop would need a second shift or van maintenance would need to be performed by a private contractor.

Commissioner Toupin expressed the view that due to such light loads during midday a small vehicle could be used more economically than a full-sized bus on many routes, and would also reduce noise and pollution. He requested that staff prepare an analysis which would:

1) identify light usage routes; 2) determine best type of vehicle based upon ridership; 3) determine whether a private operator could provide vehicles, service and maintenance for such routes; and 4) determine how rush hours could be handled, possibly by using part-time operators. With this information, it could be determined if the plan were cost-effective and workable.

President Flynn requested that staff report to the Commission within 30 days.

Public Comments

Mr. Ray Antonio, representing Transport Workers Union, Local 250A, inquired about transferring funds in Item No. 15 (\$265,000 surplus funds from UMTA Bus Purchase Project) to offset reductions in service.

Mr. Edward Harrington, Acting Assistance General Manager, Finance, replied that the funds being transferred were for payment of bills already incurred.

THEREUPON THE MEETING WAS ADJOURNED: 3:05 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos
Mayor

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SPECIAL MEETING

Room 282, City Hall
4:00 P.M.

July 20, 1988

COMMISSIONERS

H. Welton Flynn, President
Arthur V. Toupin, Vice President
Jeffrey Lee
Sherri Chiesa
Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project
Municipal Railway
Water Department

BUREAUS

Claims and Contracts
Energy Conservation
Engineering and
Construction Management
Financial Management and
Performance Monitoring
Information Systems
Personnel and Training

Dean W. Coffey
GENERAL MANAGER

Albina V. Arietta
ACTING SECRETARY

Call to Order: 4:10 P.M.

Present: President H. Welton Flynn, Commissioner Sherri Chiesa,
Commissioner Rodel E. Rodis

Excused: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee

RESOLUTION
NO.

On motion of Chiesa, seconded by Rodis, the following
resolution was adopted:

88-0249 HH Rejecting the sole bid received on July 11, 1988 for
Hetch Hetchy Water and Power Contract No. HH-797,
Cherry-Eleanor Pump Station, and authorizing
readvertisement of the contract under Hetch Hetchy
Water and Power Contract No. HH-797R.

VOTE: Ayes - Flynn, Chiesa, Rodis

Copies of the above resolution are on file in the
Office of the Secretary of the Public Utilities
Commission.

THEREUPON THE MEETING WAS ADJOURNED: 4:15P.M.

ALBINA V. ARIETTA
Acting Secretary

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CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

July 26, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:08 P.M.

Present: Commissioner Jeffrey Lee, Commissioner Sherri Chiesa,
Commissioner Rodel E. Rodis

Excused: President H. Welton Flynn, Vice President Arthur V. Toupin
Commissioner Jeffrey Lee presided.

On motion of Chiesa, seconded by Rodis, the Minutes of the Special Meetings of July 5 and July 7, and the Regular Meeting of July 12, 1988 were approved.

RESOLUTION
NO.

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0250 WD Designating June 30, 1989 as the termination date of the base rate increases for San Francisco Water Department's retail and wholesale customers approved on May 24, 1988.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0251 MR Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts totaling \$39,846, for settlement of claims against the Municipal Railway, in the month of June, 1988.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0252 WD Approving collections in the amount of \$2,580.09, which the San Francisco Water Department has against miscellaneous debtors for the months of April, May and June, 1988, and one write-off debt in the amount of \$485.25.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0253 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2006, 8-Inch Ductile Iron Main Installation in O'Farrell Street between Larkin Street and Grant Avenue.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0254 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2027, Lower Crystal Springs Operational Plan - Footbridge Upgrade

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0255 HH Awarding Hetch Hetchy Water and Power Contract No. HH-792, Replace Streetlight Yard, in the amount of \$524,443, to Berrios Construction Company, Inc., Contractor.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0256 WD Awarding San Francisco Water Department Contract No. WD-2003, Sunol Water Filtration Plant - Modifications to the Wash Water Pond and Sludge Drain System, in the amount of \$93,000, to Stacy and Witbeck, West Bay and Nationwide, A Joint Venture, Contractor.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0257 MR Awarding San Francisco Municipal Railway Contract No. MR-875, No. 14 Mission Line, between Main and Fourth Streets, Trolley Coach Overhead Reconstruction, in the amount of \$2,089,200 to Kingston Constructors, Inc., Contractor.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0258 MR Accepting the work performed under Municipal Railway Contract No. 828, Cable Car System Rehabilitation Program, as satisfactorily completed, and authorizing final payment in the amount of \$4,450 to W. R. Thomason, Inc., Contractor.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0259 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1976, 6-Inch Ductile Iron Main Installation in Francisco, Pfieffer and Other Streets, as satisfactorily completed; approving Debit Contract Modification No. 1 in the amount of \$858.30; and authorizing final payment in the amount of \$20,847.46 to Vickers Concrete Sawing/Uniacke Construction, Inc., a Joint Venture.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0260 E Requesting the Mayor to recommend to the Board of Supervisors that the position of Class 5258, Senior Mechanical Engineer, Utilities Engineering Bureau, be filled immediately per Section 10, Subsection 7 of the Annual Appropriation Ordinance.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0261 WD Requesting the Controller to draw a warrant in favor of Transamerica Insurance Company, in the amount of \$177,884.61, in full settlement of claim against the San Francisco Water Department arising from property damage sustained following a 12-inch water main break on Stockton Street near Broadway Street on August 26, 1987.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0262 MR Authorizing the Municipal Railway to discontinue service on line 26-VALENCIA on Randall and Whitney Streets during the hours of operation before 9:00 A.M. and after 8:00 P.M.; and requesting the Board of Supervisors not to disapprove the change.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0263 MR Requesting Controller's concurrence in amendment of Rules and Regulations, Public Utilities Commission Revolving Funds; and requesting the Mayor to recommend to the Board of Supervisors an amendment to Chapter 10 of the San Francisco Municipal Code by amending Section 10.150, increasing the Municipal Railway Revolving Fund from \$218,516 to \$368,516.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0264 WD Requesting the Mayor to recommend to the Board of Supervisors a Supplemental Appropriation in the amount of \$4 million for construction of the expansion project at San Andreas Water Treatment Plant.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0265 WD Requesting the Mayor to recommend to the Board of Supervisors a Supplemental Appropriation in the amount of \$2,402,024 to complete the replacement of Crystal Springs Pipeline #1 within the City limits.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0266 HH Authorizing the General Manager of Hetch Hetchy to negotiate and execute a professional services agreement with Leeds Hill-Herkenhoff, for an amount not to exceed \$110,000, for a flow study of Mountain Tunnel.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0267 HH Authorizing the Hetch Hetchy General Manager to enter into a Facilities Charge Agreement with PG&E, on behalf of the California Academy of Sciences, to pay for installation of additional distribution facilities at the Steinhart Aquarium.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0268 E Commending Lynn E. Pio on the occasion of his retirement, for his 25 years of service to the City and County of San Francisco.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0269 FM Authorizing the General Manager of Public Utilities to submit the list of Delinquent Payments of the Transit Impact Development Fee (effective June 30, 1988) to the Board of Supervisors for their deliberation and action.

VOTE: Ayes - Lee, Cheisa, Rodis

By common consent, the following resolution was adopted in executive session:

88-0270 MR Settling the case of Mary Kay Stolz v. City And County of San Francisco, Superior Court No. 870-439.

On motion of Rodis, seconded by Chiesa, the following resolution was adopted in executive session:

88-0271 WD Settling the case of James M. Schabert v. City and County of San Francisco, San Mateo Superior Court No. 305-173.

VOTE: Ayes - Lee, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager Municipal Railway Telephone Center

Mr. Alan Siegel, Assistant Director, Community Affairs, reported that due to the loss of positions in the telephone center at the beginning of the fiscal year, a reduction from 24 hour-a-day service is recommended. The proposal is to operate two shifts until 10:00 p.m. After that time, a recorded message would inform callers of Owl service. Other assistance to the public would be the frequency of service guides posted on transit shelters listing the first and last bus, and also, the printed schedules.

Citations

Mr. William G. Stead, General Manager, Municipal Railway, reported that currently the department is issuing citations for parking violations at the rate of 362 per week. If the tickets were \$20.00 each, the department would generate \$376,000 annually. Citations will be monitored through the Management By Objectives Program.

Public Hearing

Resolution NO. 88-0250--Designating June 30, 1989 as the termination date of the base rate increases for San Francisco Water Department's retail and wholesale customers approved on May 24, 1988.

Mr. Edward Harrington, Acting Assistant General Manager, Finance, Public Utilities Commission, stated that a termination, or sunset clause, was requested by the Mayor and the Board of Supervisors. A public hearing is required because it is an adjustment to the rates.

President Lee opened the public hearing. There being no comments, the hearing was closed.

Resolution No.88-0262 -- Authorizing the Municipal Railway to discontinue service on line 26-VALENCIA on Randall and Whitney Streets during the hours of operation before 9:00 a.m. and after 8:00 p.m.

Mr. Peter Straus, Director of Planning, Municipal Railway, described the current route of the 26-VALENCIA. He said that staff met with the neighbors. Many of them wanted the bus removed from Randall and Whitney Streets. Others needed the service for shopping and other mid-day trips. Staff proposed a compromise of retaining mid-day service and removing early morning and late night service.

Mr. Oral Riker and Mr. Randall Dean spoke in favor of the compromise. Mr. Robert Black described the traffic problems caused by the bus on narrow streets.

On motion of Chiesa, seconded by Rodis, Resolution No. 88-0262 was adopted.

THEREUPON THE MEETING WAS ADJOURNED: 3:05 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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CITY AND COUNTY OF SAN FRANCISCO

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PUBLIC LIBRARY

Art Agnos
Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

August 9, 1988

COMMISSIONERS

H. Welton Flynn, President
Arthur V. Toupin, Vice President
Jeffrey Lee
Sherri Chiesa
Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project
Municipal Railway
Water Department

BUREAUS

Claims and Contracts
Energy Conservation
Engineering and
Construction Management
Financial Management and
Performance Monitoring
Information Systems
Personnel and Training

Dean W. Coffey
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Call to Order: 2:05 P.M.

Present: Commissioner H. Welton Flynn, Commissioner Jeffrey Lee,
Commissioner Sherri Chiesa

Commissioner Rodel E. Rodis arrived at 2:10 P.M.

Excused: Vice President Arthur V. Toupin

At 2:55 P.M. Commissioner Flynn was excused and Commissioner Lee
presided for the remainder of the meeting.

On motion of Lee, seconded by Chiesa, the Minutes of the Special
Meeting of July 20, and the Regular Meeting of July 26, 1988 were
approved.

RESOLUTION
NO.

On motion of Lee, seconded by Rodis, the
following resolution was adopted:

88-0272 MR Requesting the Controller to draw warrants in
payment of claims against the Municipal Railway,
totaling \$78,508.82.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the
following resolution was adopted:

88-0273 MR Approving compromise settlements in the amount
of \$6,183.67 and collections in the amount of
\$36,474.61, for payment of damage claims which
the Municipal Railway has against miscellaneous
debtors for the month of July, 1988.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the
following resolution was adopted:

88-0274 BLHP Approving collections for the months of April,
May and June 1988, of charges for damages
against miscellaneous debtors, Bureau of Light,
Heat, and Power, in the amount of \$7,986.47 and
one write-off debt in the amount of \$4,431.71.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0275 WD Awarding San Francisco Water Department Contract No. WD-1997, 8-Inch Ductile Iron Main Installation in the net amount of \$361,000 to Ranger Pipelines, Inc. and A. Ruiz Construction Co. and Associates.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0276 MR Accepting the work performed under Municipal Railway Contract No. MR-977, Presidio Division: Modifications to HVAC System, Transportation Training Center as satisfactorily completed and authorizing final payment in the amount of \$5,970.78 to the Contractor, Van Mulder Sheet Metal, Inc.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0277 WD Accepting the work performed under Water Department Contract No. 1981, Repaving of Street and Sidewalk openings, as satisfactorily completed; approving Debit Contract Modification No. 9 in the amount of \$117,760.40 and authorizing final payment in the amount of \$120,463.60 to the Contractor, San Francisco Grinding Co., Inc.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0278 MR Confirming that an emergency condition exists in order to provide for the most expeditious and prompt repair and certification of vehicles operated by the Overhead Lines Department of the Municipal Railway, and authorizing the expenditure of \$20,000 for this purpose.

VOTE: Ayes - Flynn, Lee, Chiesa, Rodis

At 2:55 P.M. Commissioner Flynn was excused and Commissioner Lee presided for the remainder of the meeting.

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0279 GM Adopting the San Francisco Municipal Railway Short-Range Transit Plan and Capital Improvement Program for 1988-93.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0280 MR Expressing appreciation and commending Mr. Nicholas Gvozdoch for 33 years of safe driving.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0281 MR Authorizing Municipal Railway to transfer \$100,000 from Maintenance Object 109 to the Mayor's Community Development Agency to extend the contract period to June 30, 1989 in order to fund the services of the San Francisco Conservation Corps in graffiti removal from Municipal Railway vehicles and facilities.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0282 FM Authorizing the Acting Assistant General Manager for Finance, in cooperation and consultation with the City Risk Manager, to develop and implement a comprehensive insurance program for the Municipal Railway, said insurance program to be funded through the existing insurance appropriation contained within the fiscal year 1988-89 Municipal Railway budget.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0283 MIS Authorizing the Public Utilities Commission General Manager to enter into a contract modification with Dynasty Systems, Inc. for technical consulting for a period not exceeding 12 months and \$90,000.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0284 MIS Authorizing the Public Utilities General Manager to enter into a contract modification with Information Systems Associates for technical consulting, for a period not to exceed 12 months and \$140,000.

VOTE: Ayes - Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0285 MIS Authorizing the Public Utilities Commission General Manager to enter into a contract modification with RC Research and Associates, for an amount not to exceed \$85,000 at an hourly rate of \$45.00, funded by a grant from the U.S. Urban Mass Transportation Administration.

VOTE: Ayes - Lee, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Consulting Services

Mr. Richard Brandt, Manager, Engineering Services, Utilities Engineering Bureau, described the Bureau's use of consultants and stated that 37 percent of design production is performed in-house, 50 percent is done by consultants, and 13 percent is UEB supported. The goal is to do 75 percent of the work in-house and only use consultants for special expertise. With an increase in staff of 22 people, the Department could do 60 percent of the work by next year.

President Flynn was excused at 2:55 P.M. Commissioner Lee presided for the remainder of the meeting.

Resolution No. 88-0279 -- Adopting the San Francisco Municipal Railway Short-Range Transit Plan and Capital Improvement Program for 1988-93.

Mr. James Nelson, Project Manager, Short-Range Transit Plan, described the plan for growth of the Municipal Railway to the year 2000. Ms. Gail Bloom, Financial Planning Manager, PUC, outlined the cost of the Capital Improvement Program, which totals \$550 Million. Ms. Kathleen Kelley, Principal Administrative Analyst, discussed the projected operating

budget over the next five years, assuming that current service levels are maintained and that growth occurs in accordance with the Capital Improvement Program. The shortfall is projected to be \$30 Million.

Mr. Ray Antonio, Secretary-Treasurer of the Transport Workers Union, Local 250A, requested a higher priority for the operator restroom project (Project #17). Mr. Bobbie Brown, President, Transport Workers Union, Local 250A, spoke in opposition to Project #25, proof of payment.

Ms. Bloom stated that the Metropolitan Transportation Commission gave the operator restroom project a low priority and it is not eligible for many other funding sources. Mr. William G. Stead, General Manager, Municipal Railway, said that the Department rents restroom facilities from restaurants and service stations for about \$50.00 per month. It has been difficult to convince neighborhoods to allow restroom stations in the neighborhoods. There is an added cost for maintenance of City-owned facilities versus renting from an existing establishment.

Regarding the proof of payment program, Mr. Edward Harrington, Acting Assistant General Manager, Finance, stated that the fare box project was written prior to the tabling of the proof of payment program. The wording would be revised to delete reference to the proof of payment program.

Public Comments

Mr. David Pilpel inquired about the status of two issues which were raised at the Municipal Railway fare hearing -- enforcement of bus zones and a low-income pass.

Regarding the bus zones, Mr. Coffey replied that the Municipal Railway is in the process of getting its personnel deputized to issue tickets. Concerning the low-income pass, staff is preparing a report for presentation to the Commission.

THEREUPON THE MEETING WAS ADJOURNED: 3:40 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

August 23, 1988

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COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

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DEPARTMENTS

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Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:02 P.M.

Present: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee,
Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

Excused: President H. Welton Flynn

Vice President Arthur V. Toupin presided at the meeting.

By Common Consent, the Minutes of Regular Meeting of August 9, 1988
were approved.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION
NO.

On motion of Lee, seconded by Chiesa, the following
resolution was adopted:

88-0286 MR Approving free transportation for 800 children living
in San Francisco Housing Authority complexes, to
attend a Giants baseball game on September 10, 1988.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following
resolution was adopted:

88-0287 MR Requesting the Controller to draw warrants in payment
of claims against the Municipal Railway, totaling
\$405,000.00.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following
resolution was adopted:

88-0288 MR Approving Revolving Fund payments made by the
Manager, Bureau of Claims and Contracts, totaling
\$248,146.15, for settlement of claims against the
Municipal Railway, in the month of July, 1988.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following resolution was adopted:

88-0289 MR Awarding Municipal Railway Contract No. MR-866, Cable Car Barn - Turntable Rehabilitation, in the amount of \$67,869.00, to Valentine Corporation, Contractor.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following resolution was adopted:

88-0290 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1946, Crystal Springs Reservoir - Spill Valves, as satisfactorily completed; approving Credit Contract Modification No. 2 in the amount of \$7,615.49; authorizing an extension of time for unavoidable delays of four working days; and authorizing final payment in the amount of \$6,354.73 to the Contractor, Power Engineering Contractors.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following resolution was adopted:

88-0291 E Requesting the Mayor to recommend to the Board of Supervisors that the position of Class No. 5256, Mechanical Engineer, in the Utilities Engineering Bureau be filled immediately.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following resolution was adopted:

88-0292 WD Requesting the Controller to draw a warrant in favor of John Nees, Executor of the Estate of Dr. Roberta Fenlon in the amount of \$80,000.00, in full settlement of claim against the San Francisco Water Department arising from property damage sustained following a water service line break at 211 Edgewood Street, in San Francisco.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Lee, the following resolution was adopted:

88-0293 WD Authorizing the General Manager and Chief Engineer of the Water Department to negotiate a professional services agreement with Camp Dresser and McKee for the initiation and performance of Water Quality Planning Studies.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Rodis, seconded by Lee, the following resolution was adopted:

- 88-0294 MIS Authorizing the General Manager of the PUC to enter into a contract modification with Infomanage, Inc. for technical consulting for a period not to exceed 12 months and \$140,000, increasing the scope of work to include final implementation of systems for the Water Department and Municipal Railway.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0295 E Approving plans and specifications as recommended by staff and authorizing Bid Call for Municipal Railway Contract No. 801, J-Line Connection - General Construction.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Lee, the following resolution was adopted:

- 88-0296 E Rejecting all bids received for San Francisco Water Department Contract No. WD-1990, Crystal Springs Pipeline No. 1, Replace Section, and authorizing readvertisement of the contract under San Francisco Water Department Contract No. WD-1990R.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Chiesa, the following resolution was adopted:

- 88-0297 E Awarding Hetch Hetchy Water and Power Contract No. HH-797R, Cherry-Eleanor Pump Station, in the amount of \$2,938,396.00 to Stacy and Witbeck, Westbay and Nationwide, A Joint Venture, Contractor.

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0298 CC Authorizing a total moratorium on a certain 9,850-acre grazing lease parcel on Water Department watershed land in Alameda/Santa Clara Counties, during the six-month period from May 1, 1988 through October 31, 1988, and also waiving rent during this period.

VOTE:. Ayes - Toupin, Lee, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Transportation for Housing Authority Children

Resolution No. 88-0286 -- Approving free transportation for 800 children living in San Francisco Housing Authority complexes, to attend a Giants baseball game on September 10, 1988.

Mr. Dean W. Coffey, General Manager of Public Utilities, reported that a request had been received today for transportation and that Mr. William G. Stead, General Manager, Municipal Railway, was here to make a presentation to the Commission.

Mr. Stead said that the Municipal Railway had received a request from the San Francisco Housing Authority and from the Mayor's office, asking that the department provide free transportation for 800 children who live in San Francisco Housing Authority complexes, to attend a Giants baseball game on September 10th. Mr. Stead said that after reviewing this request with the Mayor's office and the Housing Authority, he felt it should be given special consideration, and that Mr. Lou Lillian and Mr. Michael Kelly of the Housing Authority were present to answer any questions.

President Toupin said he understood that this would be the only way these children could go to the baseball game. Mr. Stead said that was correct and that he felt the Housing Authority should be asked to find the funds to subsidize Muni for the cost of providing this service. Commissioner Toupin asked if they had offered a subsidy.

Mr. Lou Lillian, Vice President of the San Francisco Housing Authority, replied in the negative and expressed the opinion that he would like the Commission to review the long-term policy on this type of thing.

Mr. Stead stated he felt that after this request is accepted, the Department should be asked to present a policy statement for adoption by the Commission that would deal with these types of issues in the future.

President Toupin asked what the cost of this transportation would be. Mr. Coffey stated that he had estimated a "thumb-nail" cost of about \$12,000 and that any extension of the privilege of free transportation must be approved by the Public Utilities Commission.

President Toupin asked if in providing this transportation we were covered by insurance and Mr. Stead replied that we are self-insured.

Mr. Lillian of the Housing Authority said that in working with the Muni's Public Affairs Office, the cost had been figured to be more like \$400. He said the Giants had donated 1500 tickets. Approximately 700 tickets will go to public housing children living within walking distance of Candlestick and for the balance of 800 children who live in other public housing sites scattered throughout the City, the Housing Authority would be asking for a coupon, transfer or ticket of some sort. Mr. Lillian said that the student fares are normally a quarter for regularly scheduled service, so he figured the total cost would be about \$400.

Mr. Stead said that Muni, in providing service to the children, will have to put on extra equipment which may not be \$6,000 worth but for 4 or 5 extra buses out there would still cost about \$3,000. He said Muni provides service to the ballpark at \$4.00 per person but if service is overloaded and there are people waiting, other buses are called in, thereby increasing the cost in overtime pay. So, it could be as cheap as Mr. Lillian says or more expensive if it's a popular game with more people attending, requiring several buses on overtime.

Commissioner Lee asked Mr. Stead for an explanation as to how the Commission could grant this request and deny other such requests in the future.

Mr. Stead said he feels it would be extremely difficult to do so, and that's why policy-making is reserved for the Commission.

President Toupin said he felt the Commission should let the record show that this is a request for children who have the opportunity to go to a baseball game because the Giants have furnished the tickets, and that they wouldn't be able to go to the game but for the fact that we are doing this. He stated the record should also show that this is being done at a time of dire straits for both the Housing Authority and the Municipal Railway, and that this is not to be taken as a precedent for any other similar request. President Toupin went on to say he felt this ought to be part of the record and should be noted on the resolution, and then if anything like this comes up again it would be considered brand new then.

President Toupin asked if there were any motions. Commissioner Lee moved for approval, based on the reservation that President Toupin expressed. Commissioner Chiesa seconded the motion for approval.

Resolution No. 88-0286, as modified, was unanimously adopted.

\$1.00 Fare Boxes

Mr. Coffey, asked Mr. Edward Harrington, Acting Assistant General Manager of Finance, to make a presentation on the dollar-bill fare.

Mr. Harrington said he felt that the long-term solution to accepting dollar bills would be new fare boxes at an estimated cost of about \$7-1/2 million dollars, fundable out of federal and state grants. He said we had \$2-1/2 million dollars available right now. The department will begin soliciting proposals and hopefully will be able to award a contract by January, and by April or May will have \$2-1/2 million worth of fare boxes and collection equipment. He said that staff was looking at completing the LRV fleet first. We can't have some diesel coaches on the new fare box equipment and some diesel coaches on the old fare box equipment because the way funds are extracted is completely different. So, we have to go mode-by-mode, or location-by-location. Another \$5 Million Dollars in grant funds will be needed to do the rest of the fleet. We are hopeful that would be in place by the Spring of 1990. That's the long-term solution. The short-term solution would be the Candlestick fare box. The department has 450 of those now, however, only half of them are operable. It would take about \$2,000 or \$3,000 working with Muni employees, and about a month to get all 450 of the boxes in full operation. We propose to put these only on diesel coaches. So, within a month to 6 weeks, if all goes per schedule, someone could go onto any diesel coach within the City and put a dollar bill into these fare boxes.

At the same time we order new fare boxes for the LRV's, we would order change machines for the LRV stations that are not BART/MUNI stations. Those stations would have change machines within probably 4 or 5 months. The LRV's would be equipped by late Spring. The trolley coaches would have to wait a year and a half or almost 2 years from now. The other option is to build another 350 of the Candlestick boxes at a cost of \$60,000 using Muni employees. We would not want to do that unless the Commission felt that it was so overwhelmingly important to have these boxes on the trolley vehicles in a short period of time. If the Commission wants staff to go ahead with the trolley buses, we would come back at the next meeting with a resolution that would authorize spending the money.

President Toupin authorized staff to proceed with the proposal.

Low Income Fares

Mr. Harrington reported on the staff work regarding the possibility of establishing a special fare for low income people. He said that the population of the City is about 750,000. About 143,000 of those are seniors. 46,000 of those seniors would be considered to be in poverty, by Federal standards. Fast Pass sales are 158,000 per month. About 28,000 of passes are discount passes. We don't know what portion of the discount are for seniors and what portion are for handicapped. It is certain that the majority are seniors. Of the 46,000 seniors who we would think would qualify, per the Commission on Aging statistics, only about 13,000 have taken advantage of SSI. And about 5500 handicapped people are on SSI.

In order to implement a program, first, we would have to establish some kind of eligibility for a discount. Then, either we would verify the income level or use the Department of Social Services to verify that people that are on SSI or General Assistance. Or, we could use some other organization to verify eligibility. What that tends to do is to miss the working poor, but it does get the very poor. Once eligibility is verified we could use a photo ID. This would have potential of preventing people from buying multiple passes and selling them to friends. We don't know if we are hitting the target population unless we take passenger surveys.

There is also the possibility of extending this to the people on General Assistance. There are about 42,000 cases that the Department of Social Services handles that are really about 20,000 people. We have no idea if those 20,000 people are current users of the Municipal Railway. The Department of Social Services has offered to send out a questionnaire with the next monthly mailing that goes out to these people but we didn't want to do that if it would raise a lot of hopes without a sense from the Commission as to whether they would be interested in doing that kind of an outreach. So, basically, we are coming to the Commission today, saying that it looks like we may be handling the seniors very well. If you want to extend this, we would send out mailers to people or questionnaires.

President Toupin expressed the opinion that he would like to see this go a little bit further because there are a lot of seniors who can afford full fares and we're giving the discount to everybody. If there is a fairer way of doing it, it's worthwhile exploring.

Mr. Harrington added that the GAIN Program (Greater Avenues Through Independence), that the Department of Public Service will start xperating in a few months, will be able to get Federal and State funds to pay for transit for these people. We are working on a program that within the next few years should start bringing in about \$2-1/2 to 3 million annually.

THEREUPON THE MEETING WAS ADJOURNED TO EXECUTIVE SESSION: 2:53 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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188
MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

September 13, 1988

DOCUMENTS DEPT.

SEP 26 1988

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PUBLIC LIBRARY

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

Excused: Commissioner Jeffrey Lee

On motion of Toupin, seconded by Chiesa, the Minutes of the Regular Meeting of August 23, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

Commissioner Chiesa was excused at 3:15 P.M.

RESOLUTION
NO.

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0299 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$48,268.74.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0300 MR Approving compromise settlements in the amount of \$10,573.63 and collections in the amount of \$53,112.87, for payment of damage claims which the Municipal Railway has against miscellaneous debtors for the month of August, 1988.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0301 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-1987, Sunset North and San Andreas Pipelines, Install 42-Inch Valves.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0302 MR Awarding Municipal Railway Contract No. MR-1003, Presidio Facility - Roof Repair, in the amount of \$103,124.00, to A Plus Roofing, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0303 WD Awarding San Francisco Water Department Contract No. WD-1985, Crystal Springs and San Andreas Reservoirs, Tower and Tunnel Lighting, in the amount of \$100,000, to Garraway and Associates, Contractor.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0304 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1975, 8-Inch Ductile Iron Main Installation in Turk Street between Webster and Laguna Streets, Gough and Polk Streets, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$6,443.00; and authorizing final payment in the amount of \$16,412.20, to P & J Utility Company, Contractor.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0305 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1968, 16-Inch Ductile Iron Main Installation in San Jose Avenue between Geneva and Santa Rosa Avenues, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$13,039.93; authorizing an extension of time for unavoidable delays of 47 working days; and authorizing final payment in the amount of \$20,361.22 to Berrios Construction Company, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0306 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1926, Installation of Probe Meters and Controllers, as satisfactorily

completed; approving Credit Contract Modification No. 3 in the amount of \$2,000.00; authorizing an extension of time for unavoidable delays of 47 calendar days; approving the assessment of liquidated damages in the amount of \$1,200.00; and authorizing final payment in the amount of \$3,952.48 to Ranger Pipelines, Inc. and Interlane General Engineering, Inc., A Joint Venture.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0307 MR Authorizing a fund transfer of \$85,000 from Municipal Railway Administration Object 102, Professional Services, to Object 389, Services of the Department of Public Works, to fund an underground pollution program at the Kirkland Facility.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0308 MR Accepting the Booz Allen Hamilton Report on the current mechanical condition, future maintenance needs, and projected retirement scenarios of the Muni LRV fleet.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0309 MR Authorizing the Municipal Railway to solicit proposals for professional consulting and engineering services for the Advanced Train Control System Project for the Muni Metro System.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0310 MR Requesting the Mayor to recommend to the Board of Supervisors, a Supplemental Appropriation in the amount of \$3.4 million to be funded from available Transit Impact Development Fee monies, for Harrison Street facility start-up, LRV improvements, and engineering work to design the Advanced Train Control System.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

- 88-0311 MR Authorizing the Municipal Railway to terminate Contract Proposal No. 504 with Abbett Electric Corporation for providing and installing Auxiliary Power Units on 15 electric trolleys, upon final payment of a balance due of \$62,308.89; and to waive claims for liquidated damages.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

- 88-0312 MR Establishing a policy that the Municipal Railway not purchase and operate vans on Muni routes, with the exception of the 89 LAGUNA HONDA for which Muni does not provide the vehicle.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

- 88-0313 WD Authorizing the San Francisco Water Department to enter into negotiations with the Santa Clara Valley Water District for development of an emergency intertie that will benefit both water supply systems.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

- 88-0314 HH Commending Ruth Ecroyd, on the occasion of her retirement, for over 16 years of service to the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

- 88-0315 HH Commending Harold Danicourt, on the occasion of his retirement, for over 31 years of service to the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0316 HH Commending Mervin Greenup, on the occasion of his retirement, for over 30 years of service to the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0317 HH Commending Robert Hibpshman, on the occasion of his retirement, for over 30 years of service to the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0318 HH Commending Jerald Stewart, on the occasion of his retirement, for over 20 years of service to the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0319 HH Authorizing the General Manager of Public Utilities to enter into a Cooperative Fire Suppression Agreement with the United States Department of Agriculture, Forest Service and Stanislaus National Forest for the purpose of protecting Hetch Hetchy Property.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0320 E Commending Major Gates, on the occasion of his retirement, for over 16 years of service to the City and County of San Francisco.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0321 E Awarding Municipal Railway Contract No. 860, Treat Avenue Facility-General Construction, in the amount of \$6,951,050 to Apersey Associates, Inc., Contractor; and directing the Finance Bureau to transfer approximately \$1,500,000 to the project.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0322 FM Authorizing the Assistant General Manager of Finance, PUC, to apply for, accept and expend U.S. Department of Transportation, Section 8 Planning Grant Funds in the amount of \$70,000 to undertake Phase II of the Metro Rail Infrastructure Program.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0323 FM Authorizing the Assistant General Manager of Finance, PUC, to apply for, accept, and expend \$8,025,354 of UMTA Section 9 monies for 1988-89 MUNI operations, \$25,682,324 of UMTA Section 9 capital assistance funds, and \$6,420,581 from local match funds, such as State Transit Assistance funds, and/or Bridge Toll Net Revenues funds and/or Gas Tax Revenues and/or Hetch Hetchy and/or Transit Impact Development Fee, the San Francisco Municipal Railway Improvement Corporation monies, for the following Municipal Railway projects: Storage Maintenance Facilities Rehabilitation; Trolley Overhead Reconstruction; Design of 24th & Utah Shops; Miscellaneous Equipment; Cable Car Vehicle Improvements; J-M Layover Terminals; Market Street Transit Thoroughfare and F-Line Streetcar; for the Municipal Railway.

VOTE: Ayes - Flynn, Toupin, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted in Executive Session:

88-0324 CC Settling the litigation entitled David Canfield v. City and County of San Francisco - Superior Court No. 848-407 and Golden Gate Bridge and Highway Transportation District v. City and County of San Francisco - Superior Court No. 801-944 (Consolidated Actions).

VOTE: Ayes - Flynn, Toupin, Rodis, Chiesa

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Graffiti Report

Mr. Jaimie Levin, Director of Community Affairs, Municipal Railway, discussed the background of the current graffiti problem on Municipal Railway vehicles. He said that this year the department will spend \$1.7 million to clean vehicles and secure the maintenance and storage yard, but that effort is not evident to the public.

Mr. Patrick Dugan of American Media Network, stated that his company has guaranteed the Municipal Railway \$2 million from advertising revenues. Due to the graffiti problem, his company has lost approximately \$750,000 in revenue business. If the graffiti situation does not improve, there will be a significant loss of revenue to the City.

Mr. Levin presented the following eight point action plan and the estimated costs: 1) improve perimeter fencing at all storage yards - \$350,000; 2) improve lighting at the yards - \$400,000; 3) install electronic perimeter security systems - \$100,000; 4) increase nightly security patrols using uniformed guards and dog patrols - \$735,634; 5) augment maintenance staff to clean graffiti immediately - \$7,852,555; 6) expand uniformed police force riding the vehicles - \$2,400,000; 7) assign two full-time employees to assist the District Attorney's office - \$100,000; and 8) establish a community outreach program - \$150,000. The program totals over \$13 million.

President Flynn thanked Mr. Levin for an excellent presentation.

Commissioner Toupin suggested the establishment of a task force of community leaders to assist the program. Also, he suggested pursuing a change in state law which would enact penalties up to \$10,000, plus court costs and attorney's fees to be paid by parents of those convicted of applying graffiti to vehicles. Regarding merchants who sell paints and markers which are used for graffiti to minors, they should be prosecuted.

Commissioner Rodis questioned the lack of fencing and inquired as to what was being done about gangs who write graffiti as a competitive sport. Mr. Coffey replied that previously the department did not have the money to improve fencing, however, security has been increased. Some of the graffiti is being applied while the vehicles are in service.

Mr. Lew Lillian of Gannett Outdoor, Inc., stated that he had met with various youth gangs and felt that while he had had some success in the Mission District, he could not devote more time to it and that a group effort is needed.

Commissioner Chiesa inquired about the budget of \$13.5 million. She asked how much would be one-time costs and what would the annual costs be for subsequent years. Mr. Levin replied that \$3 million is a one-time capital expense, and while the ongoing costs had not been analyzed he expected the figure would decline in future years.

President Flynn asked whether additional laws are needed to enforce the program. Mr. George Krueger, Utilities General Counsel, replied that current laws are adequate. President Flynn requested that staff circulate information among sellers of paints, reminding them of existing laws and requesting their cooperation. He requested that staff report back to the Commission on this issue. Commissioner Toupin asked staff to look into the application of conspiracy laws with regard to graffiti.

President Flynn stated that the more advertising on the vehicles, the more money the City makes, less advertising means less money for the City. Therefore, if we wisely spend to cut graffiti we save money and it does not cost as much. We not only give up revenue but we pay more to give it up by having dirty vehicles. He said that the program should be forcefully pursued. President Flynn requested staff to proceed to develop the program and to return to the Commission with an action item to implement the program.

The meeting was opened for public comments. The following persons spoke in favor of cleaning the graffiti: Mr. Winton Jones, Mr. John Friedlander, Mr. Julius Zamacoma and Mr. Robert O'Brien representing ten organizations west of Twin Peaks. Mr. Michael Levin spoke against the proposal due to the cost. Ms. Mary Boone, a Municipal Railway station agent and member of Local 790, made complaints about working conditions. She opposed spending millions of dollars on graffiti without addressing working conditions.

President Flynn requested that staff report to the Commission by the second meeting in October 1988 regarding Ms. Boone's allegations.

Commissioner Rodis said that it's commendable that this problem is being brought to the attention of the Commission and the public, however, the timing of the problem is not good. It comes at a time when the City has just faced a massive deficit and after the Commission raised fares and cut service. When the City had a surplus, nothing was done to put up perimeter fencing. He said that the problem should have been handled when it was manageable.

Mr. Lawrence Martin, International Representative, Transport Workers Union, said that the costs for graffiti control are going up. He cited New York's costs at almost \$50 million a year and the staff proposal to increase the graffiti budget from \$1.7 to \$13.5 million. He pointed out that graffiti is a worldwide problem and it's not only youths who are responsible for all the graffiti. He suggested putting money into community outreach programs to change attitudes.

Mr. Stead said that although staff is looking at other options, he felt that it would be necessary to go to a \$1.00 fare and \$32.00 Fast Pass to raise the \$13.5 million needed to fund the program.

President Flynn announced that staff would refine its proposal and submit the revised plan to the Commission for action at a later date.

Resolution No. 88-0308 -- Accepting the Booz Allen and Hamilton report on the current mechanical condition, future maintenance needs and projected retirement scenarios of the Municipal Railway LRV fleet.

Mr. Robert Highfill, Chief Equipment Engineer, presented background information concerning the LRV fleet. He reported that design improvements had been made to increase reliability. Nevertheless the LRV design continues to need refinement and the maintenance requirements are higher than other vehicles. In 1985 Louis T. Klauder and Associates, Consultant submitted a report which recommended 72 engineering modifications which would decrease maintenance costs and improve reliability. From 1984-88 the department spent \$5 million to address these corrections and 76 percent of a \$7.5 million federal grant to address these corrections. Further, the Commission authorized \$1.8 million of SFMRIC funds to redesign the articulated section of the vehicles which had design deficiencies. In March 1987, Booz Allen and Hamilton was hired to address four major concerns: 1) what remaining modifications are cost-effective to undertake to sustain the vehicle life to the year 2008; 2) how extensive is corrosion and the status of the structural integrity of the vehicles; 3) what components need to be replaced in order to operate the vehicles to 2008; and 4) an economic analysis as to what would be the best time to retire the vehicles based upon increases in maintenance costs.

A slide presentation was given summarizing the Booz Allen and Hamilton report.

Mr. Highfill stated that funds were being requested to keep the cars going. Regarding the retirement date, staff intends to re-examine the matter annually.

THEREUPON THE MEETING WAS ADJOURNED TO EXECUTIVE SESSION ON
ATTORNEY-CLIENT MATTERS: 4:52 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

REGULAR MEETING

OCT 24 1988

Room 282, City Hall

SAN FRANCISCO
PUBLIC LIBRARY

2:00 P.M.

September 27, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President H. Welton Flynn, Commissioner Sherri Chiesa,
Commissioner Rodel E. Rodis

Excused: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee

On motion of Chiesa, seconded by Rodis, the Minutes of the Regular Meeting of September 13, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0325 Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$83,500.00.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0326 MR Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts, totaling \$311,768.38, for settlement of claims against the Municipal Railway, in the month of August, 1988.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0327 HH Approving plans and specifications as prepared and recommended by staff and authorizing Bid Call for Hetch Hetchy Contract No. HH-798, Replace Trolley Poles.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0328 MR Awarding Municipal Railway Contract No. MR-980, Presidio Division: Shop Door Rehabilitation in the amount of \$51,700.00 to Erbentraut & Summers, General Contractors; and requesting the Controller to consolidate funds for this contract.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0329 WD Awarding San Francisco Water Department Contract No. 1994, 8-Inch Ductile Iron Main Installation in Bush Street between Octavia and Mason Streets, in the amount of \$748,400.00 to P&J Utility Co. and Interlane General Engineering, A Joint Venture.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0330 WD Awarding San Francisco Water Department Contract No. WD-2021, Crystal Springs Cottage - Rehabilitation and Repairs, in the amount of \$69,800.00, to Eligom International Construction, Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0331 MR Accepting the work performed under Municipal Railway Contract MR-872, Handicapped Loading Platforms, Ocean and Geneva Avenues, Duboce Avenue at Sunset Tunnel East Portal, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$4,000.00; and authorizing final payment in the amount of \$7,267.50 to Golden Bay Construction, Inc., Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0332 WD Accepting the work performed under Professional Services Agreement for Design, Construction Support, and Maintenance Operations Training, for a cathodic protection system for San Francisco Water Department Bay Division Pipelines 1 and 2 as satisfactorily completed; and approving Debit Contract Modification No. 1 in the amount of \$8,820.00; and authorizing Final Payment in the amount of \$17,448.47 to the Consultant, Corrpro Companies, Inc.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0334 CC Authorizing the Public Utilities Commission to apply for, accept, and expend \$64,000 from the U. S. Department of Transportation under Section 8 of the Urban Mass Transportation Act, as amended, and required local match funds for Municipal Railway Five-Year planning activities in Fiscal Year 1988-89; and authorizing the Commission to furnish whatever additional information is required by the funding agencies in connection with this request.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0334 CC Requesting the Mayor to recommend to the Board of Supervisors that the position of Class No. 9156, Senior Investigator, in the Bureau of Claims and Contracts, be filled immediately.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0335 MR Authorizing the Municipal Railway to operate Line 9-SAN BRUNO, and 90-OWL northbound on their current routes to the intersection of San Bruno Avenue and Silver Avenue; then right on Silver Avenue and left on Bayshore Boulevard to the intersection of Bayshore Boulevard and Industrial Street and then continuing on their current routes; and requesting the Board of Supervisors not to disapprove the partial discontinuance of service on Lines 9-SAN BRUNO and 90-OWL on San Bruno Avenue and Alemany Boulevard north of Silver Avenue.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0336 MR Authorizing the Municipal Railway to enter into a lease arrangement with the San Francisco Centre to lease cable car Lines 59 and 60 for 4 (four) hours on October 7, 1988, in conjunction with The San Francisco Centre's Grand Opening Celebration. Revenue will be \$6,384, plus \$2,000, for a total of \$8,384.00.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0337 MR Allowing members of the Armed Forces in uniform to ride Municipal Railway vehicles without payment of fares during Navy Fleet Week, October 15 through October 19, 1988, and providing shuttle service for the Annual S. F. Fleet Week Challenge Run on October 16, 1988.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0338 E Awarding San Francisco Water Department Contract No. WD-1978, 48-Inch Steel Main Installation in Tucker Avenue, Rutland Street, Leland Avenue and Peabody Street in the amount of \$1,395,300.00 to Bay Pacific Pipelines, Inc. and Interlane General Engineering, A Joint Venture.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0339 E Awarding San Francisco Water Department Contract No. WD-2000, San Andreas Water Treatment Plant Expansion, in the amount of \$13,929,000.00, to Swinerton & Walberg Co., Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0340 WD Urging adoption of proposed amendments to the San Francisco Municipal Code (Planning and Building Codes) setting requirements for low water use landscaping in new development by the Board of Supervisors.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0341 CC Approving the adjustment in the payment per ton of quarry product removed from all premises leased to Mission Valley Rock Company, from the present 50¢ per Ton, to be increased to 56¢ per ton, during the next five (5) year period commencing January 10, 1988 and ending January 9, 1993.

VOTE: Ayes - Flynn, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Old Business by Commissioners

Commissioner Rodis said since the last meeting he discussed a proposal with Mr. Stead and Mr. Levin with respect to harnessing the energy that the citizens have expressed in the last few weeks regarding the graffiti issue. He said it's important that the Commission establish something like the "Adopt a Muni Bus Program" whereby different neighborhood and civic groups can adopt a particular Muni bus and have their picture taken with it, and be encouraged to raise funds specifically to deal with the graffiti issue.

Report of the General Manager

Applications for Position of Assistant General Manager, Finance

Mr. Dean Coffey, General Manager of Public Utilities, reported that after Mr. Anson Moran had been appointed General Manager of Hetch Hetchy, Mr. Edward Harrington had been put in on a temporary basis as Assistant General Manager of Finance. Ten resumes had been received from qualified applicants. Dr. Rob Hicks, Consultant, conducted management interviews and had come back with three top recommendations from these 10 applicants. Mr. Coffey reported that complaints had been received from some of the participants that this procedure was unfair and the applicants really had qualifications that had not been reviewed. He said that he talked to Civil Service and it was their recommendation that PUC set up an unbiased board of three or more people to conduct interviews, make recommendations from those interviews, and take the behavioral ratings along with the ratings for the technical abilities for this position, and from these determine who should be recommended to the Commission for the position. Mr. Coffey said they are still in this process right now and will report back to the Commission on the results of this selection process.

Appointment of Municipal Railway Acting Deputy General Manager

Mr. William G. Stead, General Manager, Municipal Railway, reported that Mr. Paul Toliver had been selected to be the Executive Director of the Metro System in Seattle, Washington, which is a thousand-bus operation and is respected as one of the most progressive and competent transit authorities in the country. Mr. Stead also said Muni had many competent candidates who could step in behind Mr. Toliver but that until they can go through the full Civil Service process he was appointing as Acting Deputy General Manager and Chief Transportation Officer, Mr. Johnny Stein. Mr. Stead introduced Mr. Stein to the Commission. Mr. Stead said Mr. Stein has had a magnificent 27-year career with the Municipal Railway, coming up through the transportation ranks as an Operator, as a Supervisor and as a Manager. Since 1985 he has been responsible for five service operating departments and five staff departments with a budget of \$108 million.

Cable Car Brake Tests

Mr. Stead described for the Commission the recent cable car tests that have been performed by the Municipal Railway in conjunction with Technology Consultant. Mr. Stead said the Union had expressed its concern to him that confidence in the braking system needed to be reestablished. Management was also desirous of reestablishing a level of confidence in the overall capability of the car to brake. Mr. Stead explained the tests that were performed on the 22% grade of the Hyde Street hill on the evening of September 8th and the morning of September 9th. He said the objective of those tests was to demonstrate that a loaded cable car can be brought to a full stop going either uphill or downhill using the existing brake systems. He said they ran four tests in the forward direction and two in the reverse direction, and these tests clearly demonstrated to those that were participating in the tests that they met the original specifications set when the system was designed and rebuilt in 1984; so, he said this reestablished their confidence that when all the braking subsystems are used properly, they can stop the car in the worst case scenario.

Mr. Stead went on to say that this did not mean they would stop further testing of the individual brake systems. He said they intend to continue looking at the slot blade, track brake and the regular service brake to see if they can improve them as isolated subsystems. He said they will also continue to review the training program to see if there are any items they need to address in that area.

Mr. Bobby Brown, President of the Transport Workers Union, Local 250A, then spoke regarding cable car braking systems and said he doesn't believe it's as safe a car as they would have us believe. He said he hoped management would continue to monitor the system.

Mr. Stead said that the department is working with two consultants, Peter Feltzer of San Francisco State and D&D Engineering, trying to brake the car in as short a distance as possible. Mr. Stead said staff would come back to the Commission and present the schedule for these tests that D&D Engineering will be doing to improve the service brake.

President Flynn directed that staff schedule periodic tests and advise the Commission regarding them.

Service Reductions

Mr. Stead reminded the Commission that on Saturday, October 1st, service reductions would be implemented and that the public would be informed through signs posted on the vehicles and at bus stops and through information bulletins. The Fall-Winter Timetable would be distributed to the operating divisions on September 27, 1988 and put on the vehicles. Also, there is an insert in the Transit Map which highlights the changes to the individual routes.

Commissioner Rodis pointed out that while signs had been prepared in different languages, they should have said "Service Changes" in Spanish and in Tagalog as well.

Water Department Minority Outreach Program

Mr. Bob Vasconcellos, Manager, Resources and Planning, San Francisco Water Department, reported that since there are many people in San Francisco who do not speak English or use English as a second

language, the success of the water rationing program requires that the department make special efforts to reach these people. He also said that staff needed to make sure they were not suffering undue hardship because of the drought. The Water Department developed an outreach program for the minority communities concentrated in three basic areas: first, enlisting the help of a number of Community organizations, (54 in number); second, contacting the foreign language media, (radio, TV, and newspapers and, without exception, all of the foreign language media have carried public service announcements for the department); and third, developing and distributing printed materials in English, Chinese and Spanish. For the last six Saturdays the Water Department has stationed bilingual employees at a location in Chinatown, and a location in the Mission District to assist people in preparing appeals for increased water allotments.

Resolution No. 88-0329 -- Awarding Water Department Contract No. WD-1994.

Mr. Robert Shubert, representing Mr. David Rogers, owner of a Minority Business Enterprise, said Mr. Rogers had filed an objection to the award of San Francisco Water Department Contract No. 1994 to P&J Utility Co. and Interlane General Engineering, a Joint Venture. Mr. Shubert requested continuance of this matter until the next scheduled meeting to enable the parties to complete negotiations which he said hopefully would resolve that objection.

President Flynn said that since the matter before the Commission had to do with the awarding of a contract, it is not Mr. Shubert's concern, and has nothing to do with previous contracts. They are two separate items. President Flynn said he had checked this out with the City Attorney. Also, he had determined from the department heads that to delay this matter beyond this date would create problems for the Engineering Bureau. He said he was not going to vote on this protest because of a conflict of interest, since Mr. Rogers is a client of his and he asked the Commission to take note of that fact.

Mr. Shubert then said he thought his request was appropriate because it related to whether or not P&J had been complying with the Minority Business Enterprise program that is so important to the City, and said that it seemed appropriate to him that their prior compliance, or lack of compliance with the MBE program would be relevant to whether or not it was appropriate that they be awarded this contract.

President Flynn said he had checked with Mr. Arnold Baker, PUC Compliance Officer, as to whether there were any problems with this contract. Mr. Baker had indicated there were none.

On motion of Commissioner Rodis, seconded by Commissioner Chiesa, Contract WD-1994 was awarded to P&J Utility Co. and Interlane General Engineering, a Joint Venture.

Resolution No. 88-0336 -- Authorizing a lease, with the San Francisco Centre to lease Cable Car Lines 59 and 60 for four hours on October 7, 1988.

President Flynn asked whether this item was in compliance with Urban Mass Transit Administration requirements. Mr. Jaimie Levin, Director

of Community Affairs, Municipal Railway, replied that it was in compliance.

Resolution No. 88-0341 -- Approving the adjustment in the payment per ton of quarry product removed from all premises leased to Mission Valley Rock Company from the present 50¢ per ton to 56¢ per ton.

Ms. Deborah Rohrer, Manager, Bureau of Claims and Contracts, said that this was the third time this item has been brought before the Commission. She gave a brief background on the matter for the benefit of the new commissioners. She said the action before the Commission today is an adjustment to the royalty paid to the City by Mission Valley Rock on the two leases that it holds. One lease was originally competitively bid at 50¢ a ton in 1978 with the provision that extraction would not begin until 1983, so the 50¢ a ton was really a rate that was set to accommodate the 1983 beginning of mining. The other was originally a sublease to a lease with Armanino Farms that was set by negotiation with the Commission at 50¢ a ton in 1985, based on a market survey at that time that indicated that 50¢ was still in excess of the market for the royalty. The negotiation was part of the settlement of an unlawful detainer action that moved a former tenant out and replaced that tenant with Armanino Farms, improving not only the quality of tenancy, but the revenue stream as well. Armanino eventually assigned its lease to Mission Valley Rock, who had a right of first refusal of assignment and now leases the entire 204 acres. The lease provides that every five years the City may adjust the royalty, and that the adjustment be fair and justifiable, but is solely at the Commission's discretion.

Ms. Rohrer said staff did a careful survey of other quarries in the area to determine how other royalties were set, analyzed the increase in the consumer cost index, and arrived at a royalty that they thought was fair and justifiable at 56¢ a ton. She said that Mr. Bley, who represented himself as an "interested taxpayer", questioned that recommendation. She said that in 1987, Mr. Bley's law firm filed a "taxpayers suit" against the City and the PUC. The lawsuit charged that the royalty was too low and that the PUC had violated the Charter by not putting the sublease out to bid. The court dismissed the complaint on demurrer, finding none of the charges were valid. During the discovery proceedings Mr. Bley admitted to the City Attorney and the counsel for Mission Valley Rock that while this was purportedly a "taxpayer suit", it was actually being prosecuted by Edward Da Silva, the operator of Apperson Ridge Quarry, a major competing quarry in Alameda County. She said that clearly Mr. Bley and his client have a vested interest in a high royalty rate for Mission Valley Rock and in getting as much information about Mission Valley Rock operations as is possible through this process. She said the court's dismissal of Mr. Bley's litigation is currently pending on appeal.

Ms. Rohrer said that staff hired Mr. Robert Paschall to perform an independent analysis. His report concluded that a royalty of 10% of net sales is appropriate for Mission Valley Rock to pay, given all the economic information that he evaluated. She said that this year, based on that recommendation, the royalty that the City would receive would equal approximately 53¢ a ton. She said that staff continues with its recommendation for 56¢ a ton on the basis that the City is better served by setting a flat rate that in fact is above Mr. Paschall's recommendation but which City thinks is fair and justifiable, and staff submitted that recommendation to the Commission for action.

Mr. Stephen Bley, attorney for the "taxpayer", said he felt the City and County has the responsibility to obtain as much as it can under reasonable conditions for a depleting asset. He said this is not a lease, and that at the end of the term there won't be anything there as we can't get back what's already gone. Mr. Bley questioned Mr. Paschall's report and said that there was no reference in the report to the facts as they relate to Mission Valley Rock's property. He cited lack of information on "overburden", the relationship of royalty to profit and freeway access as items not covered in the report. He noted that the Commission had received testimony to the fact that royalties vary from 50¢ to \$1.05.

Mr. Paschall, the Appraiser, summarized his report and answered questions.

Mr. John Mawhinney, a Real Estate Appraiser representing Mr. Bley, agreed with the basic premise of Mr. Paschall's report. He said, however, that as a review appraiser he concluded that Mr. Paschall's report did not meet appraisal standards in that it was not complete. He said the report failed to show the actual costs of production and the actual net income to the subject property from which one would ultimately make the calculations that determine what the royalty rate should be.

Mr. Paschall pointed out that the quantifiable data, i.e., of absolute figures on Mission Valley Rock's net income, on its operating expenses etc., was absent from his report because that information was proprietary data that was given to him by the company under terms of confidentiality.

On motion by Commissioner Chiesa and seconded by Commissioner Rodis, Resolution No. 88-0341 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 3:38 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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CITY AND COUNTY OF SAN FRANCISCO

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Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

October 11, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President H. Welton Flynn, Commissioner Sherri Chiesa,
Commissioner Rodel E. Rodis

Excused: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION
NO.

On motion of Chiesa, seconded by Rodis, the following
resolution was adopted:

88-0342 MR Requesting the Controller to draw warrants in payment
of claims against the Municipal Railway, totaling
\$65,000.00.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following
resolution was adopted:

88-0343 MR Approving compromise settlements in the amount of
\$7,360.90, and collections in the amount of
\$24,323.81, for payment of damage claims which the
Municipal Railway has against miscellaneous debtors
for the month of September, 1988.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following
resolution was adopted:

88-0344 WD Approving the plans and specifications as prepared
and recommended by staff, and authorizing Bid Call
for San Francisco Water Department Contract No.
WD-1996, 8-Inch Ductile Iron Main Installation in
Bush Street between Presidio Avenue and Octavia
Street.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0345 WD Awarding San Francisco Water Department Contract No. WD-2006, 8-Inch Ductile Iron Main Installation in O'Farrell Street between Larkin Street and Grant Avenue, in the amount of \$676,465.00 to Interlane General Engineering and P & J Utility Co. A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0346 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1988, 8-Inch Ductile Iron Main Installation in 24th Street between Harrison Street and Potrero Avenue, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$7,631.00; authorizing an extension of time for unavoidable delays of 5 working days; and authorizing final payment in the amount of \$10,716.85 to Ranger Pipelines, Inc. and Interlane General Engineering, Inc. A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0347 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1980, Excavation and Repaving for Water Service Trenches, as satisfactorily completed; approving Debit Contract Modification No. 1 in the amount of \$30,499.00; authorizing an extension of time for unavoidable delays of 27 working days; and authorizing final payment in the amount of \$53,561.55 to San Francisco Grinding Co., Inc., Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0348 EC Authorizing the Bureau of Energy Conservation to apply for, accept, and expend \$52,576.00 in grant funds from the U.S. Department of Energy to conduct technically advanced and innovative district cooling systems studies for the Mission Bay Project.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0349 EC Authorizing the Bureau of Energy Conservation to apply for, accept, and expend \$65,000.00 in grant funds from the U.S. Department of Energy and the Urban Consortium (through its fiscal agent, the City of Chicago) to continue its energy management activities as part of the Urban Consortium Energy Task Force Year Ten Program.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0350 FM Authorizing the Assistant General Manager, Finance, to execute a contract modification with Peat Marwick Main & Co. for Hetch Hetchy power contract related work to extend the time for completion of work to January 1, 1989, at no additional cost.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0351 EC Authorizing the Bureau of Energy Conservation to issue a Final Contract Payment Authorization in the amount of \$6,319.00 to Hansen, McQuat & Associates, Inc. for the provision of technical and financial evaluation of potential revenue generating or cost reduction opportunities in Hetch Hetchy's electric system.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0352 BLHP Authorizing the General Manager of Public Utilities to enter into a contract with Mr. David Wills to permit Mr. Wills to restore one original antique Market Street light pole base on loan from the Bureau of Light, Heat and Power.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

- 88-0353 MR Congratulating Mr. Paul A. Toliver on his recent appointment as Director of Transit for the Municipality of Metropolitan Seattle; and extending the Commission's heartfelt gratitude to Mr. Toliver for his extraordinary contributions to the San Francisco Municipal Railway, and wishing him health and success in all of his future enterprises.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0354 WD Approving the sale of an easement within City-owned land, being a portion of Parcel 4 of former Municipal Railway Right-of-Way in South San Francisco, and authorizing the Director of Property to proceed with the sale.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0355 WD Cancelling the construction of the Crystal Springs Water Treatment Plant; approving reallocation of the available funds from the 1985 Water Revenue Bond for construction of the Crystal Springs Water Treatment Plant to the alternative bond projects; and requesting the Mayor to recommend to the Board of Supervisors a San Francisco Water Department Supplemental Appropriation in the amount of \$56,000,000.00 from Construction of Crystal Springs Water Treatment Plant (\$43,500,000), and 1985 Water Revenue Bond Interest Earnings (\$12,500,000), to San Andreas WTP Expansion from 120 mgd to 180 mgd and Pump Station Improvements (\$21,000,000); Construction of Calaveras Pipeline and San Antonio Pump Station Improvements (\$27,000,000) and Sunol Water Treatment Plant Improvements (\$8,000,000).

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0356 CC Approving lease extension for an additional five (5) year period ending October 9, 1993, and authorizing execution of the Second Supplemental Agreement in Modification of Lease to the San Francisco Bay Girl Scout Council of that certain lease entered into by and between City as Lessor and San Francisco Bay Girl Scout Council as Lessee on October 9, 1973; all terms and conditions of the October 9, 1973 lease are to remain in full force and effect, rental \$1.00 annually; any Affirmative Action/Non-Discrimination provisions of the San Francisco Administrative Code enacted after the initial execution of said lease are incorporated therein and made a part of the lease.

VOTE: Ayes - Flynn, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Water Usage

Mr. Dean Coffey, General Manager of Public Utilities, distributed the Bi-Weekly Report on Water Usage to the Commissioners, and said that for the first time since mandatory rationing went into effect, we are now "on target".

Cable Car Braking System

Mr. Robert Highfill, Chief Equipment Engineer, Municipal Railway, distributed to the Commission a chart showing the testing schedule for the cable car braking system. He summarized previous studies by consultants on the cable car brake system going back to 1980. In 1986, using grant funds a contract was awarded to D&D Engineering to redesign and improve the wooden track brake that goes against the shoe that hits the track. He said the consultant went back and looked at all the previous studies to see what work had already been done, so as not to duplicate that work. From July of 1986 until the present, D&D developed a hydraulically actuated track brake. In November of 1987, they did baseline testing and in January of 1988 they tested a prototype track brake that had hydraulic actuators on it. It worked well and they saw a 20 to 30% improvement in braking, but he said, the operators had a few problems with the shoes not lifting up at the turntable. The brake was redesigned and a prototype is being fabricated which will be ready for installation and non-revenue testing at the end of October or first part of November. Once the brake proves it can be effective, staff will proceed with retrofitting the rest of the fleet around the Spring of 1989.

Station Agent

Mr. Coffey said that two meetings ago the Commission asked for the Department to report on the complaints mentioned by the station agent at that meeting.

Mr. George Newkirk, Director of Labor Relations and Management Development, Municipal Railway, reported that immediately following the meeting he had a conversation with and subsequently had written correspondence with Local 790, which is the Union that represents the station agents. First, he said he wanted to assure the Commission that the Union has stated in writing that they agree that their complaints have not fallen on deaf ears. We have been attempting to work with them on a number of the issues that were raised by the employee at the meeting. He said the issues that they have not been able to resolve are budgetary issues related to staffing. Mr. Newkirk said that he had been meeting with the Business Agent of SEIU for some time on a periodic basis. Now they have agreed to meet at the work site to have regularly scheduled meetings with the Station Operations Manager and representatives of the station agents at the work site. Regarding the air in the station, the Union has been informed that the air has been tested as part of an ongoing testing program, and that it is safe.

With reference to the United Nations Plaza safety situation, that is an issue that has to be dealt with by the San Francisco Police Department which is working diligently to deal with crime in that general area and throughout the City.

Item 10 -- Consideration of Modification of the Contract with N Graphic.

Mr. Jaimie Levin, Director of Public Service, said that it would be in the best interest of the Municipal Railway to maintain the continuity of the work N Graphic is doing and continue their contract for at least another two years.

President Flynn commented that the procedure suggested was without precedent. He said he would not support it because it was inconceivable to request funds from two budget years, and also, staff was asking for an increase of 50% in the amount which is presently being paid.

Ms. Alice Fialkin, the Business Representative of Local 200 of the Transport Workers Union, said that the Union had no opposition to this contract but that there is a provision in their contract which says that before the City lets a contract involving work that could be done with City employees, that the City has to consult with the Union. She said they have a woman in Class 1773, who is a Media Specialist. The contract calls for possibly doing audio-visual services, and that is exactly the kind of work that would be done by a Media Specialist "in-house". Ms. Fialkin requested that the City hold off in taking action on this until they have time to "meet and confer" with the Union.

Commissioner Chiesa requested that this matter be continued to allow staff to resolve this matter with the Union.

Resolution No. 88-0355 -- Cancelling the Construction of the Crystal Springs Water Treatment Plant.

Mr. Arthur Jensen, Deputy General Manager of the Water Department, said this item represents the results of a study which determined that the job could be done in a better way than originally intended. In 1985, bonds were sold for two projects: the expansion of San Andreas Water Treatment Plant; and the construction of a new Crystal Springs plant. He said the current recommendations are to not build the Crystal Springs plant, but instead to expand the San Andreas Plant another increment. He said a third recommendation is to build a second Irvington Tunnel, which is a tunnel in the East Bay, representing a weak spot in the system. The recommendation to construct a second tunnel addresses a separate system concern about reliability and it's not a part of this bond project, and would not be funded with these bonds. The future expansion of the San Andreas Plant that is recommended provides the same, in fact greater, benefits than the construction of the Crystal Springs Plant and would do so with less capital costs, and with a lower ongoing operating cost. He said that because of the savings associated with not building the Crystal Springs Plant, they are able not only to perform the additional expansion of San Andreas but also to provide some other water quality treatment improvements at San Andreas in the form of ozonation to the facilities associated with the operation of that plant. They will also be able to do projects elsewhere in the system, including a new pipeline from Calaveras Reservoir to the Sunol Treatment Plant, upgrading at the Sunol Treatment Plant, pumping station improvements, and perhaps build an intertie with the Santa Clara Valley Water District. However, staff is not asking for an appropriation for the intertie at this time. The alternate

projects staff would like to perform with the bonds, relate to the same general purpose for which the bonds were originally sold, and that is increasing the reliability with which the Water Department can serve properly treated water. These facilities are required components of the system. Even at today's level of demand, they do not presume any growth in the service area but at the same time they are congruent with any future expansion of the service area and any new facilities which might be required to meet future demands.

On motion of Commissioner Chiesa, seconded by Commissioner Rodis, Resolution No. 88-0355 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED AT 2:55 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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M I N U T E S

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

October 25, 1988

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COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:25 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

Excused: Commissioner Jeffrey Lee

On motion of Toupin, seconded by Rodis, the Minutes of the Regular Meeting of September 27 and October 11, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0357 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$95,000.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0358 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2007, 8-Inch Ductile Iron Main Installation in Taylor Street from Golden Gate Avenue to Sutter Street and from Pine Street to Washington Street.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0359 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2013, 12-Inch Ductile Iron Main Installation in Mission Street between Cotter Street and Onondaga Street.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0360 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2018, 8-Inch Ductile Iron Main Installation in Polk Street between Ellis Street and Clay Street.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0361 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2020, 8-Inch Ductile Iron Main Installation in Chestnut Street between Larkin Street and Leavenworth Street; Francisco Street between Hyde Street and Leavenworth Street; Larkin, Greenwich and other streets.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0362 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2023, 16-Inch Ductile Iron Main Installation in Fillmore Street between Haight and Ellis Streets.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0363 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2024, 8-Inch Ductile Iron Main Installation in Eucalyptus Street from Westmoreland to Meadowbrook Streets; Gellert Street from Clearfield to Middlefield Streets; Everglade and other streets.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0364 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. HH-794R, San Joaquin Pipelines - Repair Exterior Coating.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0365 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1998, 8-Inch Ductile Iron Main Installation in Point Lobos Avenue, Great Highway and Balboa Street from Cliff House to 46th Avenue, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$2,119.00; and authorizing final payment in the amount of \$5,091.85 to Ranger Pipelines, Inc. and Interlane General Engineering, Inc., A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0366 WD Accepting the work performed under San Francisco Water Department Contract No. WD-2002, 8-Inch Ductile Iron Main Installation in Marin Street from Bayshore Boulevard to Kansas Street and Barneveld Avenue from Rickard to Silver Avenue, as satisfactorily completed; approving Debit Contract Modification No. 1 in the amount of \$74.30; and authorizing final payment in the amount of \$3,256.88 to Uniacke Construction, Inc. and Vickers Concrete Sawing, AJV, Contractor.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0367 GM Extending the term of the Agreement with Thelen, Marrin, Johnson & Bridges, for the Cable Car Rehabilitation Project, for a period of two (2) years, expiring on February 11, 1990.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Chiesa, the following resolution was adopted:

88-0368 MR Authorizing the General Manager of the Municipal Railway to modify the Railway's contract with N-Graphic, a design consultant, extending the term of the contract through June 30, 1989, in an amount not to exceed \$100,000.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Rodis, seconded by Toupin, the following resolution was adopted:

88-0369 MR Authorizing the Municipal Railway to begin a temporary detour of Market Street transit lines, around the reconstruction area between 3rd Street to 8th Street inbound and outbound; from October 31 through November 23, 1988.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0370 MR Authorizing the Director of Property to enter into an annual lease agreement for the Caltrans lot at Division & Bryant, at a cost not to exceed \$10,000 per year.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0371 HH Authorizing the General Manager of Hetch Hetchy from time to time to enter into short-term agreements with the Modesto and Turlock Irrigation Districts, to purchase at favorable rates available excess power when City cannot generate enough power to meet its commitments.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0372 HH Authorizing the General Manager of Public Utilities to enter into a revision of the Agreement between Pacific Gas and Electric Company and the City and County of San Francisco dated December 21, 1987, for the purpose of making a technical adjustment to the delivery loss factors between City plants and scheduling points; effective April 1, 1988.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0373 HH Authorizing the General Manager of Hetch Hetchy to enter into an agreement with Pacific Gas & Electric Company, on behalf of the Convention Facilities Department, to purchase a spare transformer at Moscone Center.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Chiesa, the following resolution was adopted:

- 88-0374 E Approving the selection of Muni Metro Alternative No. 2 - Underground Alignment as the preferred alternative for the Muni Metro Turnaround Project.

VOTE: Ayes - Flynn, Toupin, Chiesa, Rodis

On motion of Toupin, seconded by Chiesa, the following resolution was adopted in Executive Session:

- 88-0375 CC Approving settlement in the case of Tracy Kipp vs. City and County of San Francisco.

On motion of Toupin, seconded by Rodis, the following resolution was adopted in Executive Session:

- 88-0376 CC Approving Supplemental Appropriation in the amount of \$2.8 million dollars.

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Reductions in Municipal Railway Service

Mr. Dean Coffey, General Manager of Public Utilities, reported that reductions in Municipal Railway service had gone into effect on October 1st, and that Mr. Peter Straus would brief the Commission on the public reaction to those reductions.

Mr. Peter Straus, Director of Service Planning, Municipal Railway, said implementation of the cuts went smoothly, due to a high degree of commitment, professionalism, and teamwork from all parts of the Municipal Railway. Community Affairs distributed 150,000 of the "Don't Miss the Bus" brochures, and 100,000 timetables. However, there were a number of complaints about the 41 and 45 Lines on Union Street. The principal complaints about the 41 Line were about capacity, he said, and on the 45 Line, the complaints were about service reliability, since this bus operates over Stockton Street now. He said they are monitoring these complaints very carefully. Mr. Straus also said putting articulated buses on the #9 Line had worked very well in accommodating the loads on that line. He pointed out, however, that staff was still monitoring the #9 Line carefully and also the #42 and #15 Lines. The other area where there had been a lot of concern was on Mt. Davidson, where the dilution of service on the #36 and #34 Lines had lead to an increase in the number of buses on Mt. Davidson streets. Staff received numerous letters and phone calls concerning this. He said there had been a community meeting about this last week. Staff is not recommending any route changes at this time. He reported that the new #88 Line, which is

operating in place of the 17, 17X, 88, and 70 Lake Merced lines is working very well. Regarding the 41 Line, staff had received a number of complaints from people who work at the Stock Exchange and need to get to work at 5:30 a.m. He said the department expects to be able to add an additional trip to accommodate these people. Regarding the elimination of mid-day service on the #32 Embarcadero Line, he said staff is now evaluating a number of alternatives.

Bridge Toll Increase

Mr. Edward Harrington, Acting Assistant General Manager, Finance, PUC, briefed the Commission regarding the possible increase of Bridge Tolls to \$1.00 via Regional Measure 1. He said Measure 1, which would increase all bridge tolls in the Bay Area to \$1.00, was endorsed by the Board of Supervisors on October 24th, and that the Mayor was expected to endorse it today. The measure would provide about \$3 million dollars for certain rail projects within the City and County of San Francisco.

\$1.00 Fare Box Use Report

Mr. William G. Stead, General Manager, Municipal Railway, spoke in opposition to the use of the Candlestick Park steel lock boxes as a means to allow tourists and others to use \$1.00 bills. He said that the department's position and also the Transport Workers Union, Local 250-A's position, is that this idea is highly inadvisable and that the department should not collect \$1.00 bills until such time as adequate fare collection and extraction equipment has been installed on the vehicles and at the revenue center. Mr. Stead said that given the current state of crime throughout the City, staff feels that having the lock boxes on their equipment with money in them would endanger the operators and cause an increase in crime. He also said that the Police Department concurred on this point. Commissioner Toupin asked what the Muni's position was regarding getting new fare boxes. Mr. Stead replied staff advocates spending \$5 to \$7 million dollars to equip the fleet and facilities to handle \$1.00 bills when the fare goes to \$1.00. He added that both Boston and New York City do not accept \$1.00 bills. They use tokens or require exact change. The Commission may want to consider the pros and cons before purchasing \$7 million worth of equipment.

Cable Car Stamp

Mr. Stead announced that the Commissioners and staff were invited by the United States Postal Service to the "First Day of Issue Ceremony" for the new 20-cent Cable Car Stamp on Friday, October 28, 1988, at Union Square, which would be attended by the Postmaster General of the United States.

Transit Impact Development Fee

Mr. Harrington reported that staff received word that the Supreme Court declined to hear the second major case on the Transit Impact Development Fee, thus freeing up \$12 to \$13 million dollars in escrow accounts.

Harrison Street and Treat Avenue Projects

Mr. Coffey recommended naming the Treat Avenue Facility, "The William B. Scott Non-Revenue Vehicle Facility". Mr. Scott was formerly a General Manager of the Municipal Railway, he said, and had devoted much of his life to the Municipal Railway. Mr. Coffey recommended naming the Harrison Street Facility "The H. Welton Flynn Motor Coach Division"; in respect for what Commissioner Flynn has done for the Municipal Railway. Mr. Coffey said that resolutions on these two items would be submitted for the next calendar.

Item No. 9 -- Year End Financial and Management by Objective Performance Reports.

Managers of all units gave their 1987-88 Year End Financial and Management by Objective Performance Reports. Copies of the reports are on file.

Resolution No. 88-0369 -- Authorizing the Municipal Railway to begin a temporary detour of Market Street transit lines, around the reconstruction area between 3rd Street to 8th Street, from October 31 through November 23, 1988.

Mr. Stead recommended detouring buses off Market Street because of construction work being done by a DPW contractor. The reasons cited for the recommendation were: reports of 22 incidents due to rough riding and pot holes; operator industrial accidents were up 20%; complaints from the public were up 5%; and the vehicle failure rate was up about 400%. Mr. Stead displayed a map showing the proposed detour route and said that staff was prepared to initiate the detour on Monday, October 31st, and that the public would be notified through signs and press releases.

Commissioner Toupin asked if there had been any input from the merchants along Market Street.

Mr. Stead replied that there had not, except through their recommendations as passengers who had been jostled around due to the construction work. In response to questions, Mr. Stead said he had not been informed of any request by the contractor for an extension of time. They are on schedule.

Resolution No. 88-0372 -- Authorizing the General Manager of Public Utilities to enter into a revision of the Agreement between Pacific Gas and Electric Company and the City and County of San Francisco dated December 21, 1987; and Resolution No. 88-0373 -- Authorizing the General Manager of Hetch Hetchy to enter into an agreement with Pacific Gas and Electric Company to purchase a spare transformer at Moscone Center.

President Flynn asked to be excused from voting on these items because of his interest in PG&E, and he asked Commissioner Toupin to take the gavel on these items. On motion of Toupin, and seconded by Chiesa, President Flynn was excused from voting on these resolutions.

Resolution No. 88-0374 -- Approving the selection of Muni Metro Alternative No. 2 - Underground Alignment as the preferred alternative for the Muni Metro Turnaround Project.

Mr. Merrill Cohn, Senior Project Engineer, Utilities Engineering Bureau, described this project which is designed to increase the capacity of the Muni Metro System. A decision needs to be made as to whether the turnaround would be underground or on the surface. He said upon approval by the Commission of the selected Alternative, staff would prepare the final Environmental Impact Report and forward it to Urban Mass Transportation Administration to get funding to complete the project. The underground alternative would cost about \$83 million dollars, and the surface alternative would cost about \$62 million dollars, a difference in cost of \$20 million dollars. Matching funds would come from the State, and other funds would possibly come from Hetch Hetchy. The City's General Fund would not be impacted. Mr. Cohn said the Engineering Bureau had received letters from several agencies, including the Port Authority, BART, and the Redevelopment Agency, all recommending adoption of the underground alternative. This project had also passed through the Management Oversight Committee, which consists of people from major City departments. Mr. Cohn pointed out that the Police Department was concerned about traffic problems if the surface choice were made, since they would then have to close off several streets to accommodate the surface alternative. He said the City Planning Commission heard these alternative plans at their meeting on October 20th, and they found the underground alternative in conformity with the City's Master Plan. Mr. Cohn recommended approval of the underground alternative as the preferred plan.

On motion by Commission Toupin and seconded by Commissioner Chiesa, Resolution No. 88-0374 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 3:55 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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8/88

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

November 8, 1988

DOCUMENTS DEPT.

NOV 21 1988

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PUBLIC LIBRARY

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President H. Welton Flynn, Commissioner Sherri Chiesa,
Commissioner Rodel E. Rodis

Excused: Vice President Arthur V. Toupin, Commissioner Jeffrey Lee

On motion of Rodis, seconded by Chiesa, the Minutes of the Regular Meeting of October 25, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0377 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$11,130,000 from the Federal UMTA Section 3 capital assistance program, including the required local contribution, for the Muni Metro Turnback Project.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0378 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$999,000 of Federal Capital Assistance and required local match funds to implement the F-EMBARCADERO Streetcar Extension.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0379 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$14,586,075 of UMTA's Section 3 Capital Assistance, and State and regional local match funds for completion of engineering and construction work for the 31-BALBOA Electrification Project.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0380 MR Approving Revolving Fund Payments made by the Manager, Bureau of Claims and Contracts, totaling \$233,604.47, for settlement of claims against the Municipal Railway, in the month of September, 1988.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0381 WD Approving collections in the amount of \$7,613.12, which the San Francisco Water Department has against miscellaneous debtors for the months of July, August, and September, 1988, and two write-off debts in the amount of \$14,833.82.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0382 BLHP Approving collections in the amount of \$15,232.24, which the Bureau of Light, Heat, and Power has against miscellaneous debtors for the months of July, August, and September, 1988, and two write-off debts in the amount of \$4,247.88.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0383 WD Approving plans and specifications as prepared and recommended by staff and authorizing Bid Call for San Francisco Water Department Contract No. WD-2025, 8-Inch Ductile Iron Main Installation in Pine Street between Grant Avenue and Leavenworth Street.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0384 WD Approving plans and specifications as prepared and recommended by staff and authorizing Bid Call for San Francisco Water Department Contract No. WD-2026, 6-Inch and 8-Inch Ductile Iron Main Installation in Carl Street between Hillway Avenue and Clayton Street.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0385 WD Approving plans and specifications as prepared and recommended by staff and authorizing Bid Call for San Francisco Water Department Contract No. WD-2030, 6-Inch Ductile Iron Main Installation in Tehama Street, Harriet Street, Rausch Street and Langton Street.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0386 WD Accepting the work performed under San Francisco Water Department Contract WD-2005, Suburban Division Road Paving, as satisfactorily completed; approving Debit Contract Modification No. 1 in the amount of \$11,940.72; and authorizing final payment in the amount of \$23,755.97 to C. F. Archibald Paving, Inc., Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0387 MR Accepting the work performed under Professional Services Agreement for design and construction support for the Reconstruction of San Francisco Municipal Railway's Forest Hill Station (Phase B) as satisfactorily completed; approving Debit Contract Modification No. 5 in the amount of \$28,165.56; and authorizing final payment in the amount of \$43,007.00 to the Consultant, Esherrick, Homsey, Dodge and Davis/Rutherford and Chekene, A Joint Venture.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0388 EC Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$44,389 and requesting amendment to the Annual Salary Ordinance to reclassify two budgeted positions in the Bureau of Energy Conservation.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0389 FM Approving and hereby requesting the Controller's concurrence in amendment of Rules and Regulations for Public Utilities Commission Revolving Funds for checking accounts, petty cash and change funds to provide for more efficient use of available resources.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0390 GM Authorizing the General Manager of Public Utilities to execute Modification No. 1 to the Agreement with Peat, Marwick, Main & Co., increasing the contract amount by \$60,000 and renewing the contract for a term of one year.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

88-0391 MR Authorizing the Municipal Railway to enter into a lease arrangement with the Emporium Department store to lease cable car Lines No. 59 and 60 for three (3) hours on Sunday, November 20, 1988, in conjunction with their 1988 Christmas Parade; lease revenue will total \$12,686.00.

VOTE: Ayes - Flynn, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0392 E Awarding San Francisco Water Department Contract No. WD-2016, Sunol Valley Water Treatment Plant - Sludge Scraper Replacement, in the amount of \$88,993.00 to Stacey and Witbeck, Inc./Rogers/Genner, A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Office of Film Production

Mr. Dean Coffey, General Manager of Public Utilities, reported that the Mayor had established the Office of Film Production. He said this

will result in loss of revenue for the Municipal Railway that was formerly used in the Employee Awards Program. He said staff is looking at new resources to continue to fund that Program. As that develops he will report to the Commission.

Public Hearing

Resolution No. 88-0377 -- Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$11,130,000 from the Federal UMTA Section 3 Capital Assistant Program, including the required local contribution for the Muni Metro Turnback Project; and

Resolution No. 88-0378 -- Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$999,000 of Federal Capital Assistance and required local match funds to implement the F-EMBARCADERO Streetcar Extension; and

Resolution No. 88-0379 -- Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$14,586,075 of UMTA's Section 3 Capital Assistance, and State and regional local match funds for completion of engineering and construction work for the 31-BALBOA Electrification Project.

Mr. Edward Harrington, Acting Assistant General Manager, Finance, said that these three grants had been prepared by Gail Bloom, Transit Planner, PUC Finance.

Ms. Bloom addressed the Commission. She said the first grant application would allow City to use UMTA Section 3 funds for the Muni Metro Turnback. She said the grant will enable City to complete engineering activities and then start construction activities. Funds are allocated 50-50 in the grant application between final engineering and advanced construction work. The funds would also allow City to hire an archeologist to do some structural work for the freeway, which the City will be working on.

Ms. Bloom said the second grant application is for the F-EMBARCADERO Streetcar Extension, which represents a continuation of the work City has been doing on Market Street. This grant will provide engineering funds for City to design the track and overhead power supply system for the F-MARKET interface work, as well as to design the terminal. She anticipates City will actually receive the funds for this grant in March or June of 1989.

Ms. Bloom said the third grant application is for Section 3 Funds and would fund construction activities for the 31-BALBOA Electrification, and City would expect to receive the funds in March or June of 1989. Background material on the 31-BALBOA Electrification was distributed.

President Flynn asked Ms. Bloom when she anticipated City would use the funds.

Ms. Bloom replied that regarding the Muni Metro Turnback Project, this grant would augment the existing funds they have from the State and from the Metropolitan Transportation Commission. Whenever the grant arrives we will encumber roughly half of it in terms of professional services contracts, some of which will be continuations of prior work, and some will be new professional services contracts.

Ms. Bloom said that regarding the 31-BALBOA Electrification Project, the Utilities Engineering Bureau is already engaged in engineering activities and would have a need for construction funds in roughly 18 months, which is consistent with applications for local match funds City is starting to make.

Ms. Bloom said that concerning the F-EMBARCADERO Streetcar Extension, the design work would be done by staff and City could get started as soon as the funds are available.

President Flynn said that he understood then that City would have some time between the date of receipt and the date that City would actually use the funds.

Ms. Bloom said, "yes".

President Flynn opened the meeting for public comments. There being none, the public hearing was closed.

On motion of Commissioner Chiesa, seconded by Commissioner Rodis, Resolutions No. 88-0377, 88-0378, and 88-0379 were adopted.

THEREUPON THE MEETING WAS ADJOURNED TO EXECUTIVE SESSION ON PERSONNEL MATTERS: 2:30 P.M.

ROMAINE A. BOLDRIDGE
Secretary

M I N U T E S

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

DOCUMENTS DEPT.

REGULAR MEETING

JAN 3 1989

Room 282, City Hall

SAN FRANCISCO
PUBLIC LIBRARY

2:00 P.M.

November 22, 1988

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:15 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Sherri Chiesa, Commissioner Rodel E. Rodis

On motion of Lee, seconded by Toupin, the Minutes of the Regular Meeting of November 8, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0393 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$20,245.12.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0394 MR Approving Revolving Fund Payments made by the Manager, Bureau of Claims and Contracts, totaling \$325,378.95, for settlement of claims against the Municipal Railway, in the month of October, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0395 MR Approving compromise settlements in the amount of \$647.13, and collections in the amount of \$17,568.70 for payment of damage claims which the Municipal Railway has against miscellaneous debtors for the month of October, 1988.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0396 MR Approving Contract Modification No. 5 totaling \$150,000.00 to Municipal Railway Contract No. MR-859 - Harrison Street Facility - General Construction, Roebellen Engineering, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0397 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1970, 16-Inch Ductile Iron Main Installation in Evans Avenue, Hunters Point Boulevard and Innes Avenue between Jennings and Fitch Streets, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$6,550.00; and authorizing final payment in the amount of \$15,094.00 to Ranger Pipelines, Inc., and Interlane General Engineering, A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0398 WD Accepting the work performed under San Francisco Water Department Contract WD-2001, 12-Inch Ductile Iron Main Installation in Blanken Avenue between Tunnel Avenue and Executive Park Boulevard, as satisfactorily completed; approving Credit Contract Modification No. 1 in the amount of \$5,068.50; and authorizing final payment in the amount of \$6,595.20 to Ranger Pipelines, Inc., and A. Ruiz Construction Co. and Associates, Inc., A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0399 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing bid call for Hetch Hetchy Contract No. HH-799, Hetch Hetchy Fuel Tank Replacement -- Various Locations.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0400 EC Authorizing the Bureau of Energy Conservation to modify its contract with the California Environmental Internship Program to extend the existing professional services agreement until June 30, 1989, and to increase the contract amount by \$35,000.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0401 EC Authorizing the Bureau of Energy Conservation to modify its contract (CT #40 70034) with John Nimmons and Associates to extend the existing professional services agreement to December 31, 1989, and to increase the contract amount by \$18,000.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Rodis, seconded by Chiesa, the following resolution was adopted:

88-0402 MR Naming the Municipal Railway Motor Coach Facility at 1940 Harrison St. the "H. WELTON FLYNN MOTOR COACH DIVISION".

VOTE: Ayes - Toupin, Lee, Chiesa, Rodis
 Excused - Flynn

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0403 MR Naming the Municipal Railway non-revenue vehicle shop and garage at 1849 Harrison St. the "WILLIAM B. SCOTT FACILITY".

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0404 MR Authorizing the Municipal Railway to begin operation of the 82X-LEVI PLAZA EXPRESS weekdays only, funded by increasing the number of hours charged against the contract with the California Department of Transportation (Caltrans).

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0405 WD Approving the sale of a 10-ft. wide sewer easement to the County of San Mateo, subject to certain conditions set forth by the San Francisco Water Department and authorizing the Director of Property to proceed with legislation for enactment by the Board of Supervisors to approve and grant the sale.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Chiesa, seconded by Rodis, the following resolution was adopted:

- 88-0406 E Awarding Municipal Railway Contract No. 801, J-Line Connection - General Construction, in the amount of \$17,262,363.00 to Homer J. Olsen, Inc., Contractor; authorizing the Assistant General Manager of Finance to apply for, accept, and expend up to \$1,900,000 of Metropolitan Transportation Commission allocated resources and/or San Francisco Municipal Railway Improvement Corporation funds, to supplement existing financing for the J-Line Connection Project; and requesting the Directors of the San Francisco Municipal Railway Improvement Corporation to allocate local financing as needed for this Project.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

- 88-0407 E Awarding San Francisco Water Department Contract No. WD-1985, Crystal Springs and San Andreas Reservoirs - Tower and Tunnel Lighting, in the amount of \$109,496.00 to Mayer/Amelco/McMillan/Monarch, A Joint Venture, Contractor; and rescinding the award of the contract to Garraway & Associates.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0408 E Authorizing the Manager, Utilities Engineering Bureau to amend the Morrison-Knudsen Engineers agreement to increase the amount by \$120,000.00 and to extend the completion date to December 12, 1989; and authorizing the Manager, Utilities Engineering Bureau to increase the amount of the Allstate Geotechnical Services agreement by the amount of \$150,000.00.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

- 88-0409 E Requesting the Controller to transfer \$500,000 from Appropriation No. 33-001-693-01-336248, Moccasin Creek Bypass-Repair Lining, to Appropriation No. 002-01-33-705-602714, Cherry-Eleanor Pump Station, to augment funds for the Cherry-Eleanor Pump Station Project in order to complete construction.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Lee, seconded by Toupin, the following resolution was adopted:

88-0410 FM Authorizing the PUC General Manager to extend the current agreement with Bay Area Rapid Transit (BART) for six months, from January 1, 1989 to June 30, 1989; directing the Assistant General Manager, Finance, to negotiate with BART staff and propose a new contract to the PUC before June 30, 1989; and requesting the BART Board of Directors to concur in likewise extending the current contract until June 30, 1989.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

88-0411 CC Authorizing the execution of the First Supplemental Agreement in Modification of Lease for the San Francisco Unified School District so as to modify Article Seven, Section 7.01, "Permitted Use" provision of the original ground lease for that certain parcel of land under the jurisdiction of the Water Department, located at the southeast corner of 7th Avenue and Lawton Street, in San Francisco; and submitting this First Supplemental Agreement in Modification of Lease to the Board of Supervisors for confirmation by Ordinance.

VOTE: Ayes - Flynn, Toupin, Lee, Chiesa, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

Mr. Dean Coffey, General Manager of Public Utilities, said that in light of recent weather conditions, he has asked the Water Department and Hetch Hetchy managers to give reports to the Commission on weather conditions.

Mr. Arthur Jensen, Deputy General Manager, San Francisco Water Department, briefed the Commission on the status of the water rationing program and water use to date, and the water storage situation. Mr. Jensen presented a graph which showed the total water storage and monthly water use in 1987 and 1988, the original allotment schedule, the allotment program after adjustment, and actual water use to date. He said the department had exceeded the water rationing goal. In considering what action should be taken later in the year, the factors that should be considered are: how much reserve storage would be appropriate if this winter proves dry, and, the possibility of yet another dry winter; i.e., taking a conservative approach to make sure we can provide water to our customers, looking at various levels of water conservation, and

considering what impacts or consequences they may have upon the service area, and also considering what opportunities there are to purchase water. Mr. Jensen said he would be getting back to the Commission later with some specifics regarding these decisions.

Mr. Anson Moran, General Manager, Hetch Hetchy Water and Power, gave the Commission an update as to the status of water storage "up country". He circulated a picture of Lake Lloyd showing it to be dry at the present time. He said that the department had taken advantage of the drought to do maintenance work and to build a pump. He presented a graph showing a 10-year average of total storage in the system. He pointed out that it is too early to tell if the drought is over. He said the storage levels are still very low and that storage levels need to show a recovery before staff can consider the water situation a healthy one. Mr. Moran showed a graph comparing 1986, which was a wet year, to 1988, a dry year. He said that through mid-February, both years were virtually indistinguishable and tracked the average curve. He said it wasn't until some very significant storms in February that 1986 made its character known. Mr. Moran said the current year is also being plotted on this graph. Currently it is tracking the average curve, but it is far too early to be able to tell where that will lead. He said it just isn't possible in November, December or even January, to predict what the water year will look like.

Buses on Market Street

Mr. Coffey reported that the buses which had been rerouted off Market Street due to construction work would be back on Market Street on Wednesday morning, November 23, 1988, and press releases to that effect would be going out.

Resolution No. 88-0394 -- Approving Revolving Fund payments made by the Manager, Bureau of Claims and Contracts, for settlement of claims against the Municipal Railway, for October, 1988.

President Flynn asked if the Claims Department would clarify how it justifies settlement of a claim for five times the amount of the original claim.

Deborah Rohrer, Manager, Claims and Contracts, reported that sometimes a claim will come in at a certain dollar amount and then when the person's medical bills come in, demands oftentimes go up beyond what the claim was originally listed at. She went on to say that the Bureau has tried to go back and change the amount claimed in the record-keeping system to the amount actually demanded, but that they don't always catch it.

President Flynn requested that the Commission receive an explanation in the future when such situations occur.

Resolution No. 88-0402 -- Naming the Municipal Railway Motor Coach Facility at 1940 Harrison Street the "H. WELTON FLYNN MOTOR COACH DIVISION".

President Flynn asked to be excused at this point and turned the gavel over to Vice President Toupin.

Mr. William G. Stead, General Manager, San Francisco Municipal Railway, described the two new facilities at 1940 Harrison Street and at 1849 Harrison Street. He said he had asked for suggested names for these two new facilities, and that after speaking with literally hundreds of Railway employees, it was unanimous to name the new Municipal Railway Motor Coach Facility at 1940 Harrison Street in honor of President Flynn.

Mr. Curtis E. Green, former General Manager of the Municipal Railway, urged the Commission to name the building at 1940 Harrison Street the "H. WELTON FLYNN MOTOR COACH DIVISION". Mr. Green said he had known Mr. Flynn for many years as a personal friend and as a professional person. He said Mr. Flynn first came to the attention of the Municipal Railway when he was a member of the San Francisco Municipal Railway Improvement Corporation--which is the organization set up to provide funds to build the Municipal Railway into the state-of-the-art system that we now see.

Supervisor Willie B. Kennedy spoke in favor of the nomination of Mr. Flynn in recognition of the number of years he devoted to the Public Utilities Commission.

Supervisor Doris Ward expressed her delight that Mr. Flynn was being so honored.

Mr. Larry Martin, International Representative of the Transport Workers Union, Local 250, spoke on behalf of the workers and said he felt Commissioner Flynn had always been fair to the workers and that he deserved this opportunity to have the Harrison Street Motor Coach Facility named after him.

Commissioner Toupin said that it's the feeling of all of the Commissioners that Mr. Flynn's long and effective service to this organization is well-known, not only in this room but around the City.

On motion of Commissioner Rodis, seconded by Commissioner Chiesa, the Commission voted unanimously to name the new facility after President H. Welton Flynn.

Commissioner Flynn then thanked the Commission and said that this was probably the single most eventful and nicest thing that the Commission could have done for him. The building will be a legacy to his family, his granddaughter, his son, his wife and himself. He said that next July 20th, his family will be having a reunion in San Francisco, and he asked if the department could have the dedication ceremony around July 21st or so, as his family will be here in San Francisco at that time. Commissioner Flynn also said he wanted to personally thank Mr. Stead and his fellow Commissioners.

At this point, Vice President Toupin returned the gavel back to President Flynn.

Resolution No. 88-0403 -- Naming the Municipal Railway Shop and Garage at 1849 Harrison Street the "WILLIAM B. SCOTT FACILITY".

Mr. Stead addressed the Commission, and said that Mr. William B. Scott had recently passed away at the age of 101, and that Mr. Scott had served as General Manager in the middle years of Muni's history, in the late 1940's and through the 1950's. Mr. Scott had been instrumental when the Municipal Railway took over other operations,

such as the Market Street Railway. Mr. Stead said he felt it would be very fitting to name this smaller facility after Mr. William B. Scott, whom he said he believed was the third General Manager in the Muni succession.

The Commission then decided to remove the words, "NON-REVENUE" from the name of this facility.

As amended, the Commission voted unanimously to name the new facility after William B. Scott.

Resolution No. 88-0404 -- Authorizing the Municipal Railway to begin operation of the 82X-LEVI PLAZA EXPRESS, weekdays only.

Mr. Angelo Figone, General Superintendent, Service Planning, Scheduling and Data Services, San Francisco Municipal Railway, described the 80-EXPRESS and 81-EXPRESS as two lines that are funded by CALTRANS through a contract with the Municipal Railway to provide commute peak-hour only service through the Financial District to the Cal-Train Depot. The existing contract allows CALTRANS to increase hours or decrease service or hours on either of these two routes. He said the contract also allows them to add service where they see fit. This is a new service that they wish to add, at no cost to the Municipal Railway.

Mr. Michael Cronbach, Transit Planner, San Francisco Municipal Railway described the route of the new 82X-LEVI PLAZA EXPRESS and said that the Municipal Railway plans to start service on this new route in early January.

Resolution No. 88-0406 -- Awarding Municipal Railway Contract No. 801, J-Line Connection - General Construction, in the amount of \$17,262,363 to Homer J. Olsen, Inc., Contractor.

Commissioner Lee asked what is being done in regard to vibration mitigation measures.

Mr. Donald Keener, Manager, Utilities Engineering Bureau, said that in areas where the vibration could be felt by people in adjacent houses, the contract provides for installation of a rubber mat which will prevent vibration from being transmitted from the rail to the ground, to existing structures.

THEREUPON THE MEETING WAS ADJOURNED: 3:20 P.M.

ROMAINE A. BOLDRIDGE
Secretary

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10/88
MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Art Agnos

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

December 13, 1988

DOCUMENTS DEPT.

JAN 6 1989

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PUBLIC LIBRARY

COMMISSIONERS

H. Welton Flynn, President

Arthur V. Toupin, Vice President

Jeffrey Lee

Sherri Chiesa

Rodel E. Rodis

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Claims and Contracts

Energy Conservation

Engineering and
Construction Management

Financial Management and
Performance Monitoring

Information Systems

Personnel and Training

Dean W. Coffey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:12 P.M.

Present: President H. Welton Flynn, Vice President Arthur V. Toupin, Commissioner Jeffrey Lee, Commissioner Rodel E. Rodis

Excused: Commissioner Sherri Chiesa

On motion of Toupin, seconded by Lee, the Minutes of the Regular Meeting of November 22, 1988 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0412 MR Requesting the Controller to draw warrants in payment of claims against the Municipal Railway, totaling \$17,500.00.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0413 WD Requesting the Controller to draw a warrant in favor of Annie Williams in the amount of \$16,000.00, in full settlement of the claim against the Water Department arising from personal injury sustained following an accident at Potrero Avenue and 18th Street, San Francisco, on August 17, 1987.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0414 WD Awarding San Francisco Water Department Contract No. 1987, Installation of Two 42-Inch Butterfly Valves in Junipero Serra Boulevard at Holloway Avenue, in the amount of \$98,790.00 to Valentine Corporation, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0415 WD Awarding San Francisco Water Department Contract No. WD-1996, 8-Inch Ductile Iron Main Installation in Bush Street between Presidio Avenue and Octavia Street, in the amount of \$497,145.00 to Uniacke Construction, Inc., and Vickers Concrete Sawing, AJV, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0416 WD Accepting the work performed under San Francisco Water Department Contract No. WD-1780, Construction of Crystal Springs Pipeline No. 3, Baden Valve Lot to Randolph Avenue, South San Francisco, as satisfactorily completed; approving Debit Contract Modification No. 11 in the amount of \$152,966.12; and authorizing final payment in the amount of \$153,337.00 to Homer J. Olsen, Inc. and Francis Construction, Inc. A Joint Venture, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0417 HH Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-783, Holm Powerhouse - Replace Roof, as satisfactorily completed; approving Credit Contract Modification No. 3 in the amount of \$2,669.48; authorizing an extension of time for an unavoidable delay of 18 calendar days; and authorizing final payment in the amount of \$8,461.95 to Western Roofing Service, Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0418 GM Authorizing the General Manager of Public Utilities to extend the professional services contract with A. Lee Knight through September, 1989, in the amount of \$25,000.00, for Mission Bay Planning Activities.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0419 WD Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation to amend the

Water Department's operating budget, substituting the four (4) 1706 Telephone Operator positions with four (4) 1704 Communications Dispatcher I positions and four (4) 1708 Senior Telephone Operator positions with four (4) 1705 Communications Dispatcher II positions at the same appropriation levels and requesting amendment to the Annual Salary Ordinance to reflect this action.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0420 CC Requesting the Mayor to recommend to the Board of Supervisors that funding in the approximate amount of \$6,460 be provided in accordance with Section 10, Subsection 7, of the Annual Appropriation Ordinance so that the position of 1632 Senior Account Clerk, in the Bureau of Claims & Contracts, may be filled immediately.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Rodis, the following resolution was adopted:

- 88-0421 GM Approving the appointment made by the General Manager, of Edward Harrington as Assistant General Manager, Finance, Public Utilities Commission.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Rodis, seconded by Lee, the following resolution was adopted:

- 88-0422 GM Approving cancellation of the December 27, 1988, Regular Commission Meeting.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Lee, seconded by Rodis, the following resolution was adopted:

- 88-0423 MR Approving and requesting the Controller to draw warrants in favor of Gordon MacKenzie's Warehouse in the amount of \$31,109.55 and in favor of McCulloch Auto Supply in the amount of \$56,113.72 in full settlement of claims against the Municipal Railway for unpaid invoices covering repair parts ordered by Municipal Railway employees.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0424 MR Authorizing the Municipal Railway to modify the New Flyer Industries Limited contract to include Revision "G" of the Master Resolution List to delete the California State Sales tax (\$444,720.50), to purchase an additional 56 coaches (\$8,806,000) for a total of 106 coaches, and to add a spare parts package (\$165,000), for a total contract cost not to exceed \$16,628,850; and authorizing the Municipal Railway to modify the American Computer Exchange, Inc. (ACEx) contract to inspect the additional 56 Standard Diesel Coaches and to inspect 45 30-Foot Diesel Coaches for an increased contract cost of \$210,925, for a total ACEx contract cost not to exceed \$570,368.00.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

On motion of Toupin, seconded by Lee, the following resolution was adopted:

88-0425 HH Authorizing the General Manager of Hetch Hetchy Water and Power to execute agreements with Pacific Gas and Electric Company to change natural gas serving arrangements at the Community College at 800 Mission Street, the Municipal Railway Woods Facility, and Davies Symphony Hall.

VOTE: Ayes - Toupin, Lee, Rodis
Excused - Flynn

On motion of Lee, seconded by Rodis, the following resolution was adopted:

88-0426 E Awarding Hetch Hetchy Water and Power Contract No. HH-798, Replacement of Trolley Poles at Various Locations, in the amount of \$261,900.00, to Kingston Constructors, Inc., Contractor.

VOTE: Ayes - Flynn, Toupin, Lee, Rodis

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Report of the General Manager

State Transportation Hearing

Mr. Dean Coffey, General Manager of Public Utilities, reported that the President of the Commission had received a letter from State Senator Quentin Kopp regarding a Transportation Meeting to be held here in San Francisco on the 16th. President Flynn said that he planned to attend.

Affirmative Action Plan

Mr. Coffey reported that he would present an Affirmative Action Plan for the department at the second PUC meeting in January for approval.

Resolution No. 88-0423 -- Approving and requesting the Controller to draw warrants in favor of Gordon MacKenzie's Warehouse in the amount of \$31,109.55 and in favor of McCulloch Auto Supply in the amount of \$56,113.72.

Mr. William G. Stead, General Manager, Municipal Railway, said that the department is continually auditing its procedures and its activities. In the Fall of 1987, Mr. Wayne Gerstenberger, the Manager of Administration for the rolling stock of the Maintenance Division, uncovered certain irregularities in the requisitioning and in the payment for parts used in our Non-Revenue Operation. An investigation was undertaken with assistance from the Protective Services Bureau, the City Attorney's Office and the District Attorney's Office. After a thorough audit of the situation, we are convinced that no wrong-doing had taken place. He said that he was requesting authority to pay the invoices because they were for goods received by the department for the benefit of the department. He said they have actually tracked the majority of the major components and found that they had been installed on Municipal Railway trucks and automobiles. He said that the department made procedural errors and they are taking steps to correct those errors.

President Flynn asked whether the department was sure that these are all of the errors.

Mr. Wayne Gerstenberger replied that this is definitely all of the problems that have been associated with these particular companies; and that to the best of his knowledge there weren't any similar situations out there at the present time.

On motion of Commissioner Lee, seconded by Commissioner Rodis, Resolution No. 88-0423 was approved.

Resolution No. 88-0424 -- Authorizing the Municipal Railway to modify the New Flyer Industries Limited contract to include Revision "G" of the Master Resolution List to delete the California State Sales Tax.

Mr. Robert C. Highfill, Chief Equipment Engineer for the Municipal Railway, explained this item, and said that at the time the contract was bid there was an option for 50 additional coaches, but since then the Capital Improvement Program (CIP) had been clarified to require 56 additional coaches. The main portion of this modification with New Flyer Industries would add these additional 56 coaches to the contract for a total of 106 coaches. Mr. Highfill added that in the process of modifying this contract staff wanted to include their Master Resolutions List, which, he said, is an itemization of specification clarifications developed subsequent to the original contract with Flyer. He said that Revision "G" of this Master Resolutions List needs to be incorporated as a part of the contract. In addition, when the Purchasing Department wrote the original contract, they included, as they traditionally do, \$444,720.50 for California Sales Tax, but since New Flyer Industries is located in Canada they do not pay Sales Tax. The City and County will pay the tax directly to the Franchise Tax Board.

Also, the original bid package included a comprehensive spare parts package for about \$1.5 Million Dollars, assuming at the time we could come up with funding to buy those spare parts. Since that time the City was faced with a budget deficit and no City money was available for that much involvement in spare parts. However, the Urban Mass Transit Administration (UMTA) will fund \$165,000 worth of spare parts as part of the purchase price of those 106 coaches. This needs to be incorporated in the contract.

Mr. Highfill said the last part of the proposed resolution provides for modification of the ACEx Contract for \$111,210, which would cover on-site inspection of the 56 coaches. In addition, staff included inspection services for the 30-foot coaches so that one modification would cover both purchases.

Commissioner Lee expressed concern about the inability of the City to fund the remaining \$1.4 million of the spare parts package.

Mr. Highfill replied that the coaches will have the same power plants that we currently have in the Flyer coaches so that the 40-foot and the 30-foot coaches will come with a lot of common parts like those parts on the coaches that we presently have. He said the new specifications include more warranties from the manufacturer, which reduces the need for spare parts.

On motion of Commissioner Toupin, seconded by Commissioner Lee, Resolution No. 88-0424 was adopted.

Resolution No. 88-0425 -- Authorizing the General Manager of Hetch Hetchy Water and Power to execute agreements with Pacific Gas and Electric Company to change natural gas serving arrangements at the Community College at 800 Mission Street, the Municipal Railway Woods Facility, and Davies Symphony Hall.

President Flynn asked to be excused from voting on this item and turned the gavel over to Commissioner Toupin.

On motion of Commissioner Toupin, seconded by Commissioner Lee, President Flynn was excused from voting on this item.

Mr. Anson Moran, General Manager, Hetch Hetchy Water and Power, said the gas market has become much more competitive recently, partly due to California Public Utilities Commission decisions and some general trends in utility pricing. He said during this last year, the price of diesel oil came down enough that it became competitive with natural gas. There are several City facilities that are capable of burning either natural gas or fuel oil, at their option. He said the City had asked PG&E to lower their price and that PG&E had agreed to do so.

THEREUPON THE MEETING WAS ADJOURNED: 2:36 P.M.

ROMAINE A. BOLDRIDGE
Secretary

